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South East European Research Centre

The University of Sheffield

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Exploring The Role of Social Media in Relationship Marketing in Retail Banking: Opportunities & Challenges in South East Europe

Doctor of Philosophy

July 2015

Exploring The Role of Social Media in Relationship Marketing in Retail Banking: Opportunities & Challenges in South East Europe

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Doctor of Philosophy

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Abstract

This work presents the scope, theoretical foundations, methodological approach and findings of the research exploring the role of Web 2.0 technologies and social media in relationship marketing (RM) in the retail banking sector and specifically their role in the banking industry of the South-East European (SEE) region. Following unresolved questions in the literature regarding the value of social in the retail banking sector and its aptitude to support relationships between banks and clients, this research explores the multifaceted reality of how social media is accommodated in bank-client relationships in the SEE retail banking context. The goal of this research is to arrive to theoretical implications for expanding the current knowledge in the RM domain and possible roles that social media play for its implementation in the era of Web 2.0 communications. The aim of this research is also to provide practical insights on the scope of Web 2.0-enabled RM strategies in retail banking. Research is conducted with an interpretivist qualitative approach and via multi-method design comprised to address the mutifacted reality of social media and RM in banking, addresign the perspectives of banks as well as consumers. Research incorporates web-based observation study illustrating the rates and progress of social media adoption among banks in the SEE region, qualitative case studies illustrating banking approaches to RM and social media adoption and focus groups portraying the perspectives of consumers regarding the phenomenon of social media in banking. Thesis offers theorizations that the adoption of social media surpasses the trend status and conveys an important marketing value for reaching the younger population of consumers. Although social media are not precedent for the establishment of relationships between banks and modern-day consumers, they provide the opportunity to instate pre-relationship rapport between clients and banks which could serve as basis for future relations and enticement to loyalty.

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Chapter 1: Introduction

Research in the field of retail banking is increasingly focused on the Web 2.0 phenomenon and its role in modern banking (Brun et al, 2014; Campbell et al, 2014; Park and Kim, 2014; Trainor et al, 2014). The era of social media calls for "experience-based marketing" with high emphasis on user engagement, rather than one-way product/service promotion (Simmons, 2008; Tikkanen et al., 2009). The task for marketers in this new Web 2.0 setting shifted from pushing classic forms of advertising, to learning to communicate with the new generation of Gen Y online users, within the frameworks of the social media culture (Sashi, 2012).

Discussion on the prospects of interactive communication with customers via social media suggest that the interactive elements of Web 2.0 have the potential to support relationships between banks and customers in the virtual relationships (Simmons, 2008; Vemuri, 2010; Fields, 2012). Literature has long been arguing for the mechanism that would enable efficient remote interactions between banks and their customers for the purpose of facilitating relationships (Eisingerich and Bell, 2006). Research on the activities of customers in social media suggested that there is a scope for strengthening bonds between the banks and customers via social media (Mendelsohn, 2010; Rajaobelina et al., 2013). Research suggested that customers who connected with banks via social media tended to have greater number of banking products in their portfolio than customers not following their bank in social media (Quittner, 2010).

Literature argued that social media could be used to reach customers on their own virtual territory, replacing "push" marketing strategy of advertising banks' websites and e-banking with "pull" tactic of establishing presence in the online channels already popular among consumers (Spitzer, 2009; Stone, 2009). The advantages of social media marketing for banks would include: facilitated reach to relevant customer segments, opportunities for more targeted promotions, opportunities to get instant customer feedback on services/promotions and answer customer inquiries, opportunities to fortify and enforce market positioning and brands and chance to gather intelligence on customer needs and preferences (Orr, 2007; Scarborough, 2010; Kinsy, 2012).

Social media marketing is argued to be particularly relevant for banks seeking to develop relations with Gen Y consumers (Campbell et al, 2014). Gen Y is a particular challenge for banks, as this customer segment typically tends to hold low propensity for profits s in the short term (e.g. college students with low-balance accounts), but presents great potential for developing value in the future (i.e. once customers enter job market, start having stable earnings and begin seeking mortgages for housing or credits for establishing new businesses) (Nadiri et al., 2009; Scarborough, 2010; Quittner, 2010; Blankson et al., 2012). It is expected that as this customer group progresses to more mature stages of the lifecycle, its needs and demands for banking products will mature and expand to a greater diversity and complexity of services as well. The relationships with financial service providers are expected to grow and evolve as the portfolio of banking services in demand expands..

While it is advised to plant the roots of relationships with this segment early on, in practice marketing to this customer group is challenging (Blankson et al., 2012). This customer group eagerly seeks competitive offers for desired banking services from multiple players in the marketplace and shows little concern for committing to a single service provider in the early stages of the service consumption (Rajaobelina et al., 2013). In other words, for this customer group the functionality, efficiency, effectiveness and satisfaction from service delivery come first, while loyalty and commitment to a service provider are built over time.

Gen Y is noted for being technology-savvy and comfortable with electronic forms of service delivery, such as credit cards and e-banking (Nadiri et al., 2009). This demographic group demonstrates also a strong preference for remote forms of service delivery through online and phone banking, ATMs and mobile applications for banking. However, such forms of service consumption significantly limit the scope of experiences an individual can encounter with banks. This customer segment often stays deprived of the opportunities to enrich their bonds with banks, as opposed to the population of customers who consumer services in a more traditional manner.

Considering the engaging and interactive nature of social media, marketing via Web 2.0 is proposed as an organic solution to the problem of establishing rapport with this customer segment. Web 2.0 format of interaction corresponds to customer preferences for remote interactions with banks, while creative and engaging marketing execution in social media could help capture their attention and encourage retention (Jacobs, 2009; Quittner, 2010). Banks' presence in social media channels can help reach younger customer population and offer them alternative and more interactive ways of learning about banking services and products, being informed about new market/provider offers, inquiring about matters of finance management and overall offering an augmented online experience in the format that the youngsters "native" to Web 2.0 space are accustomed to. The fact that customers of this demographic group are already a dominant population of social media users (Barbesino et al 2005; Beer, 2008; Perez-Carballo and Blaszczynski 2011) further supports the idea that social media could be a fruitful setting for banks to support exchanges with the market segment of youngsters.

Scholars are increasingly urging banks to take proactive stance towards social media marketing and to be more daring with experimentation with Web 2.0 sites and tools (Stone, 2009; Vemuri, 2010; Adams, 2011; Fields, 2012). Following the success stories of social media marvels such as Starbucks, Dell, Nike, H&M, Asos, Oreo, Heineken, Skittles etc (McKay, 2009), banks are beginning to explore the Web 2.0 space for opportunities to advance their marketing activities. Examples began merging with banks with social media presence via Facebook pages, Twitter feeds, blogs, YouTube videos, smartphone apps etc (e.g. ING in the U.S.) (Cocheo, 2009; Bills, 2009).

At the moment, the pattern of social media adoption among banks is not universal for the whole industry yet, and the rate and scope of social medial uptake is rather scattered among industry players (Quittner, 2010; Adams, 2011; Chikandiwa et al., 2013). While some banks demonstrate aggressive stance to conquer social media and to turn it into a profit-making marketing outlet (Fields, 2012), others are adopting copycat strategies that mimic popular practices of other industries in order to create the appearance of relevancy to modern trends. Some banks create presence in social media channels but fail to bring it to life with active updates or miss to sync social media activities with mainstream marketing strategies.

At the moment, majority of banks are still exploring the ways to use social media in a meaningful and profitable way. The lack of uniform strategic direction in social media marketing in the banking industry leaves many questions about the role of social media for banks unanswered or resting on isolated examples. Therefore, research is needed that will explore what is the role of Web 2.0 and social media in relationships between banks and customers in the retail banking sector.

Moreover, it is interesting to investigate how the role of social media in bank-customer relationships is defined in the context of less-researched markets. The market of retail banking in South-East Europe (SEE) is an interesting example. Firstly, banking industry in SEE countries has undergone significant transformation in the past 15 years. From the proliferation of small private banks and foreign banks in the market in the early 2000s, to the movement towards more concentrated market power, banking industry in SEE countries has been presented with a multitude of challenges (Bonetto et al., 2009; Badulescu and Nicolae, 2010; Alt and Puschmann, 2012). Although research has been dedicated to investigating the economic parameters of this shift in the market structure (Anayiotos et al., 2010; Fang et al., 2011; Delia, 2012), little is known about marketing practices by banks in this region (Argyriou et al., 2005; Danciu, 2009; Papazissimou and Georgopoulos, 2009). It is argued that the hardships of the financial crisis and subsequent measures to fortify the market produced impact on the relations between banks and customers (Gill, 2008). Academic literature is scarce for knowledge on the practices used by banks in the SEE in market segmentation, targeting, positioning and branding, and even less is known about the strategies used to interact with customers in the retail segment (Stare, 2005).

Secondly, literature offers no accounts on the Web 2.0 uptake among banks in the SEE. The importance of Web 2.0 and social media for the banking industry is highlighted in general, but there is a missed opportunity to investigate the significance of the Web 2.0 phenomenon for banks in the SEE countries. Considering differences in the pace of online adoption between Western European countries and Southern and Eastern regions (Barbesino et al., 2005), it is interesting to learn more about the patterns of Web 2.0 popularization in the SEE, especially among banking institutions. Knowing that consumers are the “leaders” in social media movement while companies are more latent adopters, it is interesting to observe the situation in SEE and the dynamics between Web 2.0-savvy consumers and service providers.

Based on this, there is an interest in the research that explores the role of social media in RM in banking in the context of the less-researched SEE region. The following thesis presents research that is centered on exploring the role of Web 2.0 and specifically social media in the RM approach in the industry of financial services. This work focuses on the phenomenon of social media in the context of retail banking in the SEE countries. The research aims to provide insights on the following questions:

- *What is the level and scope of adoption of social media platforms in marketing practices of the retail banking sector in the SEE region?*
- *How do retail banking institutions in SEE view the role of Web 2.0 and social media in relationship marketing?*
- *How do customers of retail banks in the SEE view the prospect of communicating with their banks via social media, and how would they characterize possible implications of such marketing strategies on their relationships with banks?*

By addressing these research questions, this research aims to explore the role of social media and Web 2.0 in relationship marketing strategies and practices in the retail banking sector of the SEE. This work aims to explore the state of the social media adoption among banks in the SEE region, how social media is used in bank marketing, how social media is perceived to be relevant to the RM approach from the viewpoint of banks, as well as their customers. Thus, this research aims to investigate the multifaceted reality of how social media is accommodated in bank marketing in the specific context, taking into account the perspectives of banking institutions and their Gen Y customers.

Work presented in this thesis is organized in the following order. It begins by examining current literature in Chapter 2, which encompasses discussion on the constructs and premises of the RM theory, followed by an overview of contemporary marketing practices in the era of Web 2.0 communications and social media. The chapter further continues with more specific topics discussing research contributions in the domain of RM in the financial services industry as well as opportunities and challenges that contemporary social media setting presents for the banking industry. The chapter concludes by presenting the gaps in the current literature and opportunities for further research in the domain of RM and social media and by focusing on the prospects of approaching the research from the context of banking sector in the SEE region.

The literature review chapter is followed by a segment on the methodology employed in this research. This chapter begins by specifying research questions and objectives and presenting the interpretivist qualitative approach chosen for the conduct of this research. Detailed presentation of the devised mixed method research design and the studies comprising this research: web-based observation study illustrating the rate of social media adoption among banks in the SEE region, case studies illustrating approaches and stances of banks regarding the use and role of social media in bank marketing and RM strategies, and focus groups addressing perspectives of consumers regarding the prospect of utilizing social media communications in interactions with banks. The chapter concludes by addressing the measures incorporated in research design and throughout its conduct for the purposes of assuring the quality of the research.

Findings obtained from the research follow. The thesis is constructed in a manner that the findings from each study are presented in individual chapters. Chapter on the findings from the web-based observation study depicts the progress of social media adoption among banks in the SEE region and illustrates how the trend of social media uptake transformed from a novelty to a marketing norm for the banks. Chapter on the findings from the case studies illustrates the stances on RM and the role of social media in marketing by three banks operating in the SEE region. Studies reveal important themes constructing the decisions of two banks to adopt social media (albeit with different strategies) contrasted against the case of another bank which remains impartial to the trends of RM and social media adoption. Chapter on the findings from focus groups illustrates the perspectives of the population of young banking consumers towards the prospects of using social media in interactions with banks. Although social media were perceived to lack the power to instate bonds between clients and banks, several important themes and constructs were identified regarding the areas of marketing where Web 2.0 communications could create value for consumers and initiate pre-relationship rapport between banks and clients.

Thesis is concluded with an overview of the main insights produced by this research and its contributions and limitations, as well as suggestions and propositions for future research endeavors.

Chapter 2: Literature review

2.1 Introduction

The following chapter presents review of the relevant theoretical framework and theories in the literature pertaining to the interests of this research. This chapter centers of the review of the RM theory and the contributions of its research in the context of financial services industry. It also addresses the emergence of Web 2.0 communication platforms and social media and presents an overview of the main marketing assumptions related to this phenomenon. The central point of the discussion in this chapter is the overview of the literature addressing the possibilities for utilizing social media in the domain of bank marketing and highlighting the areas in the current pool of knowledge that could benefit from further theoretical advancements.

2.2 Relationship Marketing: Theory and Research

2.2.1 Defining Relatonship Marketing

The aim of this section is to introduce the meaning of the "relationship marketing" (RM) idiom and to serve as an opening to the broader discussion on the importance of this theory in contemporary marketing research and practice.

The term "relationship marketing" (RM) was first coined by Berry (1983), who used it to depict marketing efforts aimed at *"attracting, maintaining and – in multiservice organisations enhancing customer relationships"* (p. 25). The key premise of the early conceptualization of RM was that the primary goal of marketing should be directed at building and solidifying relationships with customers and creating loyal base of clients (as opposed to seeing marketing chiefly as a tool for new customer acquisition) (Berry, 1995). Over the years, the conceptualizations about RM have substantially evolved to propose more elaborate and comprehensive definitions. While the essence of the premise remained the same at the core, the description and characteristics attributed to the term RM evolved, creating a rich body of literature on what constitutes the RM concept.

The abundant literature dedicated to the theory of "relationship marketing" contains a plethora of definitions, illustrating a versatility of approaches and outlooks on the doctrine over the years and across schools of thought. However, it is difficult to ascribe a single all-encompassing universal definition of the RM (Harker, 1999; Flambard-Ruaud, 2005; Bush *et al*, 2007). To illustrate the problem, Harker (1999) revealed existence of 26 definitions for "relationship marketing", while Brodie *et al* (1997) pointed that the term was also interchangeably used with "network marketing" and "interaction marketing" to convey the same meaning. As noted by Harker (1999, p. 13), *"contributors to the development of RM theory are extremely varied, both in terms of socio-political heritage and academic background"*, creating a milieu of numerous interpretations, and hence definitions, ascribed to the concept.

In the work dedicated specifically to the search for a wholesome and comprehensive definition of RM, Harker (1999) proposed seven *"conceptual categories"* essential for describing and defining RM, which include the notions: *"creation", "development", "maintenance", "interactive", "long term", "emotional content"* and *"output"* (summarized in Table 1).

Table 1: Seven conceptual categories of relationship marketing by Harker (1999, p. 14).

Primary construct	(Other common constructs)
Creation	Attracting, establish, getting
Development	Enhancing, strengthening, enhance
Maintenance	Sustaining, stable, keeping
Interactive	Exchange, mutually, co-operative
Long term	Lasting, permanent, retaining
Emotional content	Commitment, trust, promises
Output	Profitable, rewarding, efficiency

Based on these criteria Harker (1999) extracted from the pool of literature 26 most prominent definitions of RM created by the scholars in the period of 1980s and 1990s. Out of these, several were singled out as the most wholesome and inclusive of the aforementioned concepts essential in RM (Table 2).

Table 2: Proposed definition of RM.

Authors	Proposed definition of RM
Bennett (1996)	Consumer RM seeks to establish long-term, committed, trusting and co-operative relationships with customers, characterised by openness, genuine concern for the delivery of high-quality goods and services, responsiveness to customer suggestions, fair dealing, and (crucially) the willingness to sacrifice short-term advantage for long term gain. Suppliers attempt to create and strengthen lasting bonds with their customers; they shift from attempting to maximise profits on each individual transaction towards the establishment of solid, dependable and, above all, permanent relationships with the people they serve.
Gronroos (1994)	Relationship marketing is to identify and establish, maintain and enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met, and that this is done by a mutual exchange and fulfillment of promises.
O'Malley *et al* (1997)	RM involves the identification, specification, initiation, maintenance and (where appropriate) dissolution of long-term relationships with key customers and other parties, through mutual exchange, fulfillment of promises and adherence to relationship norms in order to satisfy the objectives and enhance the experience of the parties concerned.
Morgan and Hunt (1994, p. 22)	"Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges."

One of the most common interpretations of RM referenced in the literature is the original definition by Berry (1983), who coined the term RM and used it to depict marketing efforts throughout long-term process of creating, maintaining, and enhancing relationships with customers for the purpose of attaining customer loyalty and satisfaction, in the quest for competitiveness in the market. Definition was modified by Grönroos (1990), who proposed profit maximization as primary goal of RM philosophy. Morgan and Hunt (1994) described RM as dependent on reciprocity in relationship desirability between exchange parties, while Parvatiyar and Sheth (2000) suggested that RM approach entailed strategic segmentation and targeting of customers towards which relationship inducing marketing efforts would be directed.

Gummesson (2002) progressed the understanding of RM by identifying 30 types of relationships occurring under the umbrella-term "total relationship marketing" as a function-transcending discipline applicable to a wide social network of individuals within and across organization. Flombard-Ruaud (2005) embedded the term "relational exchange" to emphasize the importance of trust and commitment in RM conceptualization.

Research presented in this thesis adheres to definition by Gummesson (2002) and his conceptualization of "total relationship marketing":

"Total relationship marketing is marketing based on relationships, networks and interaction, recognizing that marketing is embedded in the total management of the networks of the selling organization, the market and society. It is directed to long term win-win relationships with individual customers, and value is jointly created between the parties involved. It transcends the boundaries between specialist functions and disciplines" (p. 39).

While many scholars contributed to definition of RM, there was a notable debate over contribution of RM approach to theory of marketing. While the likes of Berry (1983) and Sheth and Parvatiyar (1995) considered RM as alternative strategy in marketing driven by momentary trends, academics such as Grönroos (1994) and Gummesson (2002) propagated that RM should be regarded as new paradigm in marketing. To understand better the debate over significance of RM in marketing theory it is essential to overview some of the main principles comprising this approach.

2.2.2 Key elements of RM theory

Stemming from its origins in several marketing schools of thoughts and research traditions, RM has been ascribed with an array of principles as pillars constructing its philosophy. Some of the principles described in literature are: customer-centeredness, trust, commitment, loyalty, relationship quality, relationship satisfaction, longevity, cooperation, reciprocity, and joint-value creation (Berry, 2002; Das, 2008; Gummesson, 2002). **Error! Reference source not found.** provides a summary of the nderlying constructs of RM.

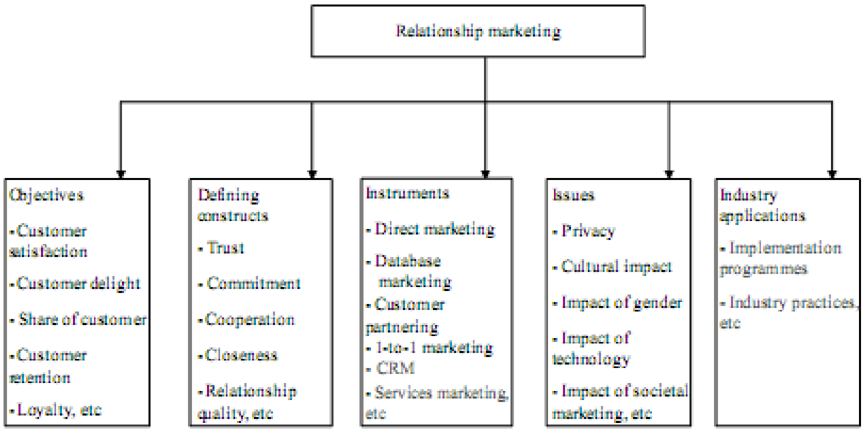


Figure 1: RM constructs by Das (2008).

Customer-centeredness is at foundation of RM doctrine, proposing that marketing begins with individual customer and should acknowledge unique needs of each entity, based on which marketing efforts are designed in the aim of achieving customer satisfaction and loyalty (Gummesson, 2002). Principle of customer loyalty was considered vital component of RM theory, built on customer commitment, satisfaction, cooperation, and low propensity to pursue alternative market offering (Morgan and Hunt, 1994). Loyalty was closely connected to the principles of relationship quality and satisfaction. Relationship satisfaction was described as affective positive appraisal of the obtained/delivered products/services and was a product of cumulative exchanges over relationship lifetime (DeWulf *et al*, 2001). Relationship quality is a function of shared trust and mutual satisfaction of participants in exchange outcomes (Dwyer *et al*, 1987). In this light, Gummesson (2002) identified long-term orientation in exchanges as important dimension of RM, under the premise that durable relationships (based on long-term mutual satisfaction in relationship quality) contributed to reduction of marketing costs over time, higher customer expenditure and promoted customer loyalty.

RM was also founded on the principle of trust that is shared by participants in relational exchanges. According to Morgan and Hunt (1994), trust was identified as confidence shared by relationship stakeholders in each other's reliability and integrity. As noted by Berry (2002), trust and commitment/loyalty could not be established through one-way-off short-term transactions but were rather function of long-term, meaningful and satisfactory exchanges. Furthermore, trust could not exist on only one side of the relationship dyad but was rather bounded to principle of reciprocity

(Eriksson and Soderberg, 2010; Jancic and Zabkar, 2002, Proenca *et al*, 2010). Under RM philosophy, trust reduces risk in exchanges, and contributes to enhanced quality of relationship between entities (Riley and De Chernatony, 2000). Furthermore, trust was closely linked to relationship commitment, under which opportunistic behavior on either end of the relationship dyad was discarded and genuine relationship was sought through establishment of mutually agreeable structural, financial and social bonds between parties to ensure dedication to shared goals (DeWulf *et al*, 2001; O'Malley *et al*, 1997; Proenca *et al*, 2010). Relationship desirability was seen as an important variable determining the likelihood of relationship establishment and was described as a function of relationship attractiveness and desire for relational involvement shared between participants (DeWulf *et al*, 2001). In that sense, RM efforts could be regarded as value-adding only if desirability for relationship was shared equally between customer and seller (DeWulf *et al*, 2001, Proenca *et al*, 2010).

Moreover, principles of reciprocity, collaboration and joint-value creation were considered pillars of RM. Under the principle of cooperation, RM advocated development of close relationships with targeted high-value partners and promoted mutual dedication between relationship partners as strategic choice in the pursuit of competitive advantage (Hunt and Morgan, 1994; Li and Nichols, 2000). On the other hand, principle of joint-value creation advocated all participants of marketing exchanges to jointly collaborate on the creation of mutual value (Jancic and Zabkar, 2002; Gummesson, 2002). Finally, principle of interactivity was included as one of the key aspects of RM, characterizing RM as interactive process that spans the boundaries of time, location and function and defines dynamics of relationships (Alrubaie and Al-Nazer, 2010; Gummesson, 2002). In order to understand better the principles of RM it is necessary to have an outlook on its fundamentals and origins from other theories in marketing. The next section provides this overview.

2.2.3 Overview of Theoretical Origins of RM

According to Gronroos (1994), research and works on RM originated principally in the fields of industrial marketing and marketing of services, while Gummesson (2002) and Dibb and Simkin (2000) observed that theoretical and research advances in traditional marketing management, quality management, and information technologies have also contributed to the emerging interests in relationship-based principles and approaches. Contemporary research interests in RM emerged from the branches of business-to-business industrial marketing, direct marketing and database marketing (Grönroos, 1994; Moller and Halinen, 2000). Gummesson (2002) and Dibb and Simkin (2000) noted that theoretical advances in traditional marketing management (marketing mix), quality management, and information technologies also contributed to development of RM principles and approaches.

As suggested by Palmer and Bejou (2005, p. 3): *"Some of the most interesting advances in marketing theory have occurred at the borders with other disciplines rather than within the confines of marketing."* Similarly, the work by Moller & Halinen (2000) suggested that the exploration of the RM origins should center primarily on the disciplines within the domain of marketing research, and suggested reviewing the relevant insights from industrial marketing (the interaction and network approaches), marketing channels, services marketing, and, direct and database marketing. Dawes & Brown (2000) further noted that when examining the origins and roots of RM, the theoretical insights from various disciplines should be viewed holistically, as the revelations in these practices regarding relationships in marketing emerged interchangeably.

2.2.3.1 Origins from the domain of transactional marketing

The phenomenon of transactional marketing was born in the post-WWII era of 1950s in the US, originating from the sales strategies of the mass production in the consumer goods sectors and the urge to provide the overflowing supply of the standardized products with a steady consumer demand (Li & Nichols, 2000; Harker & Egan, 2006). Common theorizations on marketing at the time were largely founded on the functionalist view of marketing and the premise that marketing was a manipulated variable in the econometric estimations, inserted to contribute to the generic goal of profit maximization in business (Harker and Egan, 2006). The chief purpose of the marketing practice at the time was to "push" the products to the prospective customers and to promote the sales through high volume and frequency of transactions, in line with the micro-economic theories of supply and demand (Coviello et al, 1997; Li and Nichols, 2000).

In order to assure the effectiveness and stability of this marketing method towards spurring sales and customer need for consumption, marketing practitioners of the era theorized that marketing practice at the time required structure and conceptualized approaches for formulating strategies (O'Malley and Patterson, 1998). As a result, the marketing management framework, known as the “Marketing Mix” emerged with the ultimate goal to assure the effectiveness of invested marketing efforts towards accomplishing sales and accumulating the transactions of products to customers (Malhotra and Agarwal, 2002; Harker and Egan, 2006).

Throughout the 1950s and 1960s marketing scholars have largely based their theoretical proposals and discussions around the applicability and versatility of the established “marketing mix” doctrine, and in 1960 McCarthy introduced the revolutionary approach to managing the mix known as the “4Ps”, summarizing the original list of marketing valuables to include only the four major elements of product, price, place, and promotion (Gronrros, 2002; Harker and Egan, 2006). The fundamental simplicity and straightforwardness of the re-invented marketing mix contributed to its popularization in marketing teaching and to its ultimate acceptance as the marketing management paradigm of the 20th century (Malhotra and Agarwal, 2000). As Gronroos (1996) observed, marketing mix established itself as the dominant approach to the management of marketing efforts, de-valuing past approaches such as for instance the parameter theory of marketing management founded on market elasticity principles of microeconomic theory.

The popular view on marketing at that time was based on the management of the elements of the marketing mix framework, as was the paramount approach towards attaining organizational business objectives largely supported by the American Marketing Association (AMA) (Brodie et al, 1997). As a result of such developments, the principles of the transactional marketing were established, with the underlying assumptions that: a) a product was promoted “to” the targeted customer, and the promotion was a one-way communication; b) the offer was formulated within the framework of marketing mix and the planning was constructed to meet the short-term sales goals; and c) marketing activities were disintegrated from the other functions within the firm, as marketing was performed as an independent task (Coviello et al, 1997; Li and Nichols, 2000; Harker and Egan, 2006).

The simplicity and functionality of the transactional marketing approach contributed to its wide acceptance across industries, and transactional marketing became a dominant marketing teaching in the US for a greater part of the 20th century

(Harker & Egan, 2006). Meanwhile, the popularity of the transactional orientation in marketing led to its acknowledgment in Europe as well, thus contributing to its solidification as the ruling paradigm in the marketing practice at the time (Harker & Egan, 2006).

However, the tremendous popularity of the marketing mix management approach in 1960s attracted mounting doze of criticism in 1980s on onwards towards its recognition as the definitive theory of marketing (Gummesson, 1987; Gronroos, 1996). What was unforeseen by the transactional market proponents was the rapid growth and expansion of markets towards the last quarter of the 20th century, prompted by the intensified competition and growing number of rival businesses at home and abroad and more narrow segmentation of consumer goods (Gummesson, 1987). This contributed to the quick transition of the consumer goods industries from the growth stage to the inevitable maturity, characterized by market saturation with goods and hyper-competition for consumer attention and market share (Berry 1983; Kotler, 1991; Morgan and Hunt 1994).

Moreover, the wide availability of differentiated market offers in the consumer goods industries taught consumers to become generally more demanding and less compromised with the standardization in the quest for satisfying their needs and desires with purchases of promoted goods (Christopher et al, 1991, Harker and Egan, 2006). As a result, transaction-cantered approach proved to be insufficient as a sole strategy for sustaining the levels of sales in the markets, while the product-oriented marketing efforts had diminishing effects on customers seeking more customized variety of goods offered in the marketplace (Gronroos, 1994).

As noted in the review by Harker and Egan (2006), the criticism towards marketing mix management paradigm initially originated from the European scholars, who assessed the framework as merely an alternative view to marketing, created to address primarily the particularities of social and economic norms of the US consumer goods market, rather than to propose the universal model of marketing management for all industries and business disciplines. The criticisms were chiefly directed towards: a) the inapplicability of the marketing mix framework in the industrial (business-to-business) and service markets (Harker and Egan, 2006); b) the principle of describing marketers as the decision-makers and controllers of marketing communications, while customers were seen as rather submissive and ignorant participants of the exchange “to whom” something was done (Dixon and Blois, 1983); and c) the innate lack of the interactive elements, encompassing the very nature of the exchanges in the marketplace (Gronroos, 1989).

Stemming from this, marketing research efforts have been increasingly directed towards expansion of the marketing mix framework to accommodate the marketing requirements of the business providing industrial and service-oriented solutions in the marketplace (Harker and Egan, 2006). However, as Gronroos (1994) and (Brodie et al, 1997) critically noted, the subsequent contributions to the marketing theory were largely centered towards addition of the new elements to the marketing mix, rather than its fundamental reconstruction (often resulting in new “Ps” and similar same-letter concepts such as the ones by Traynor in 1985 and in Kotler 1991, with diminishing constructive value to the genuine marketing framework).

Works by Gronroos (1989), (1990), and (2002) centered on the extensive discussions and criticism of the marketing mix paradigm, suggesting that the “4Ps” principle and its traditional transactional-orientated disciples inherently defined marketing domain as the product-serving rather than customer-serving function, and contributed to the development of research in marketing *“based on a conceptually sterile and unimaginative positivism”* (Gronroos, 2002). Harker & Egan (2006) further argued that marketing scholars were largely mislead in their negligence of the fact that McCarthy’s marketing mix was merely an exemplary model and practical checklist to be used in the formulation of marketing strategies, rather than the *“foundation for an entire marketing paradigm”*.

Moreover, criticism to marketing management mix paradigm was also spurred by the external forces of the social, economic, and technological changes in business practices emerging towards the end of the 20th century. Despite its simplicity and practicality in many consumer goods markets, scholars such as Gronroos (1996) argued that marketing mix could not wholly withstand the test of time and evolving demands and expectations of the increasingly fragmented and knowledgeable publics (customers, suppliers, distributors etc), paired with the forces of globalization, re-constructed supply and value chain, and the advances in information technology. Gronroos (1996) and Gummesson (1997) argued that the economic transaction-based outlook no longer been appropriate for many evolving organizations, clashing the short-term transactional interests of sellers with the need for longitudinal cooperation with their clients (Brodie et al, 1997).

As Buttle (2004) highlighted, marketing management approach was also largely focused on the premise that short-term oriented new customer acquisition was the ultimate strategy for the business development and prosperity. However, its effectiveness in the long-run were questioned, as markets were moving towards narrower segmentation on the global level, while the marketing costs to address the new segments and markets were escalating (Dawes and Brown, 2000; Jancic and Zabkar, 2002). As noted by Brodie et al (1997), the idea of differentiation through enhanced services emerged as the new strategy in marketing, encompassing narrow customer segmentation based not only on the profound knowledge of customers' personal preferences and demands, but also on the estimation of the customer lifetime value to business. Subsequently, the revelation that servicing relevant and high-business share customers with differentiation (rather than "pushing" cross-selling strategies of generic market offers) and implementing customer knowledge to enhance offer quality could be the new ultimate formula for growth and long-term prosperity, and gave rise to the origins and/or re-discovery of relationship- and interaction-oriented marketing (Gronroos, 1996; Gummesson, 1997; El-Ansary, 2005).

Further observations in the marketing literature noted that transactional marketing doctrine and aggressive "push" promotion of goods proved to work effectively in the consumer goods markets of the 1950s-1960s, but fundamentally lacked the elements of interactivity, socialization, and mutual trust between the sellers and buyers, considered essential in the markets of services and industrial products (Gummesson, 1987). As noted by Smith & Higgins (2000), the transactional approach to marketing was genuinely founded on the relationship between the product and the customer, with the latter being viewed as the passive recipient of the directed marketing efforts, and therefore could not incorporate the complexities of the customs and principles common for the industrial markets and service industries. Transactional marketing was applicable for the management issues of business-to-business and service selling industries, and researchers recognized the need for exploring the alternative approaches in marketing and enriching the traditional foundations of marketing knowledge with the insights applicable in the future (Flambard-Ruaud, 2005; Harker & Egan, 2006).

Alternative views on the transactional approach to marketing started emerging in the literature in the last quarter of the 20th century, as practitioners examined the underlying meanings and the essential principles of transaction. Morgan & Hunt (1994) observed an argument in literature which suggested that the concept of transaction could be described essentially as the exchange of values among market participants. Stemming from this, Arnett et al (2003) developed a discussion arguing that if the value from this perspective was viewed as the principal condition for the transaction occurrence, then the exchange within transaction could bear the value above the economic gains. Therefore, it was suggested that the theory of transactional marketing originally incorporated the fundamental idea that the value of interaction within business context could also be the exchange of knowledge and opinions, socialization, establishment of common grounds in business conduct etc. In other words, for the first time transaction was not seen as a purely economic exchange per se, but an interchange of underlying assumptions of how each participating party expects to achieve its goals, and contained the inherent relationship quality (although influenced by the duration and character of the interaction) (Arnett et al, 2003; Harker & Egan, 2006).

2.2.3.2 Origins from the domain of Industrial Marketing

Traditional marketing management teachings faced constructive criticism towards the last quarter of the century for intrinsically lacking the scope for applicability in the industrial and service business spheres (Berry, 1983). Such criticism originated from remarks that the traditional marketing teachings overlooked the significance of the social context within which the exchanges in the marketplace occurred, and which played a special role in the business-to-business and service industries (Jancic & Zabkar, 2002; Arnett et al, 2003). As sociologist Granovetter noted in the mid 1980s, participants in the marketplace did not perform as independent forces outside of the social context, but rather acted within the system of inherent social relations (Jancic & Zabkar, 2002). This remark proved to be especially relevant in the marketplaces in business-to-business industries, where the exchanges occurred within the known relational circles and among rather limited in number buyers and sellers, and where the business decisions were often based on the reciprocal relationships between market participants (Gronroos, 1996; Sheth and Parvatiyar, 1995).

The urge to develop new marketing theory that would reflect distinctiveness of the industrial markets was recognized, and eventually gave rise to the research within the course of relationship marketing (Palmer, 2002; O'Malley and Tynan, 2000). Growing number of observations and studies throughout 1950s-1980s examined the links between interaction, organizational networks, and marketing of services, giving rise to the principal-agent and network/interaction theories, which eventually contributed to the development of theorizations in the domain of relationship marketing (Vermellion et al, 2002; Gummesson, 2002; Harker and Egan,2006; Malhotra and Agarwal, 2002; Gronroos, 2002).

The significance of relationships along the value chain within business-to-business environment was recognized in the teachings of principal-agent theory, which proposed that the dyadic relationships between co-dependent participants in the marketplace were defined by the roles assigned to participants within the context of market transaction (the "principal" – the party sub-contracting the transaction activities, and the "agent" – the party executing the contacted activities) (Bergen et al, 1992). According to Eisenhardt (1989) and Vermillion et al (2002), principal-agent theory provided a framework for analyzing the roles of partners in exchanges and their collaboration in activities along the value chain, and contributed to the understanding of the need to manage co-dependencies and collaboration in business-to-business exchanges. As Vermillion et al (2002) suggested, although being principally transaction centered, the agency theory offered a valuable insight on the functionality of the exchanges in the industrial business context, and brought into attention the need for researching the significance of mutual collaboration and commitment in the inter-reliant market exchanges and their underlying values.

Observations from the network/interaction theory also contributed to the development of RM. As Harker and Egan (2006) explained, the network/interaction theory originated from the North-European marketing school thought in 1960s as the product of longitudinal research on the processes of resource exchanges between firms in the industrial business settings. Network theory contributed to the discovery that marketplaces were composed of heterogeneous customers and suppliers in terms of their value to the firms, and subsequently required differentiated customer-oriented approaches to marketing (as opposed to the uniform product-oriented principles of traditional practices) (Gummesson, 1994; Harker and Egan, 2006). As reflected by Malhotra & Agarwal (2002) and Day (2000), network theory recognized that on the global level businesses competed within framework of networks and operated at the firm-level approach (oriented to the worth of the sum of their value-adding functions and relations).

The significance of the network theory was in the discovery that firms operating in industrial markets conducted exchanges with each other by forming cross-communication channels between their relevant functional departments, while their marketing functions focused on managing and promoting these channels and emerging relationships (as opposed to acting solely within the framework of marketing mix) (Gummesson et al, 1997; Gronroos, 2002; Harker and Egan, 2006). As a result, the exchange of goods, services, economic and social values took place within the framework of intra- and inter-firm networks, while marketing had the role of intermediary in interactions which was shared across all network participants rather than by solely dedicated marketing department (Gummesson, 1987; Gronroos, 2002). As noted by Gummesson (2002), these insights laid the ground for further research on the nature and significance of relationships in business exchanges and their impact on the re-formulation of the marketing theory.

2.2.3.3 Origins from the domain of Services Marketing

Literature evidenced that development of RM approach had roots in the domain of marketing of services as well. Berry (1983), Gronroos (1994), and Gummesson (1997) shared a view that the emergence of relationship marketing research largely was largely influenced by the insights from the service marketing theories. As Gummesson (1997) observed, the evidence that relationship marketing (as we know it today) stemmed from the early services marketing notions could be found in the works of 1960s scholars and early observations that sale should never be regarded as an interaction that had a definite end (as in traditional transactional marketing), but was to be seen as an ongoing process until customer goal was achieved to satisfaction. According to Falambard-Ruaud (2005), modern economies of the late 20th century embraced this philosophy and shifted focus on the element of interaction in marketing, especially in the services industry.

Unlike traditional marketing management approach of the consumer goods markets centering on product-oriented marketing strategies, marketing of services was founded on the assumption that services industries required focus on the communication experiences and interactions between service providers and consumers during service encounter (Gummesson, 2002). The underlying philosophy was based on the observation that services possessed the characteristics of intangibility, inseparability, and heterogeneity which were reflected in the simultaneous production, execution, and consumption processes often involving active engagement of both service providers and service consumers (Zeithaml et al, 2006, Vargo and Lusch, 2004). Thus, as opposed to the passive receiver role attributed to customers in the traditional marketing, marketing of services argued that customers were co-creators of services and equal contributors to the overall experience and quality of service in the majority of interaction points of service delivery (Zeithaml et al, 2006, Barnes et al, 2004). Marketing of services was founded on the premise of nurturing and promoting the interactions between service providers and customers, and fostering the environment of a "servicescape" as a supporting element in the creation of productive relations between service participants (Zeithaml et al, 2006; Gummesson, 2002).

Interests for exploring the scope of relationships in the services marketing domain emerged largely due to the proliferating competition in the services industry and the inability of traditional marketing management techniques to sustain competitiveness of firms (Berry, 1983). As reviewed by McNally and Griffin (2005), the traditional approach of new customer acquisition produced diminishing results, as the customer retention rates soared and the costs of new service sales were progressively escalating. These observations largely contributed to the recognition of the need for a re-structured and "more universally relevant" perspective on marketing, centering on the concepts of market interaction and relations as the principle forces of trade and exchange (Coviello et al, 1997).

Moreover, as reviewed by Vargo and Lusch (2004) and Rust and Chung (2006), service as element was increasingly integrated in product-based offers under the premise that services were an intrinsic component of the core principal of exchange. The new perspective proposed that customers did not principally seek to purchase goods per se but were rather seeking the tangible or intangible solutions to their needs and demands, or in other words, customer purchased the goods for the services they promised to deliver (Vargo and Lusch, 2004). Therefore, marketing of services laid the ground for re-formulation of marketing theory and shift of the research efforts towards exploring the underlying value of relationships formed during interactions and exchanges in the marketplace (Rust and Chung, 2006; Harker and Egan, 2006). These observations largely contributed to the recognition of need for a new perspective on marketing, which would center on the concepts of market interaction and relations as principle forces of exchange (Coviello *et al*, 1997).

2.2.3.4 Origins from the Theories of Exchange

Work by Chien and Moutinho (2000) provided valuable outlook on the origins of RM and its conceptual foundation in the theories of social exchange in sociology and psychology. As noted, some of the underlying principles of RM originated from the exchange theory by Bagozzi in 1975, value theory by Perry in 1954, and insights by Hunt in 1983, commonly stating that human interaction was intuitively based on the urge to communicate and exchange (Chien and Moutinho, 2000). Exchanges were observed to possess the potential for transforming into meaningful and constructive relationships, conditioned by the participants' expectations from the exchange, the timing and duration of the exchange, and the perceived importance of the exchange, proposed in Macneil's Thoery of Exchange (Blois, 2002). As further noted by to Blois (2002), Macneil's view on relationship reflected the relational contract theory and proposed that even the very discrete exchanges in interactions in the marketplace contained the element of relation. Furthermore, the insights from the work by Assael in the late 1980s revealed that the possibility for the evolution of exchanges into relationships in the context of marketplace was a function of perceptions on the importance of the involvement to the decision-making processes and the estimated risks of the exchange (Chien and Moutinho, 2000).

Authors such as Morgan and Hunt (1994) and Arnett et al (2003) noted that some of the core principles of RM also originated from the theory of social exchange. the social exchange theory assumed that interactions are primarily driven by the promise of value for each party participating in the interaction. Under this theory, exchanges could be driven by the motives for socialization, personal interaction, and intangible elements such as gratitude and trust, rather than by purely economic gains characteristic to the transactional view on exchanges (Arnett et al, 2003). Jancic and

Zabkar (2002) clarified that the satisfaction from the derived value and the willingness of each party to reciprocate were considered as determinants for further relationship development, and the progress from highly intrinsic orientation (relationships based o friendship) to predominantly extrinsic, power-defined relationships. Social exchange theory also emphasized the importance of the concepts of commitment and trust shared between the parties in the exchange, considered as the foundations of the relationship concept.

As Jancic and Zabkar (2002) noted, social exchange theory provided explanation on the nature of dyadic exchanges and transactions highly relevant to the marketing practice and introduced the relationship terminology in the marketing domain. O'Malley and Tynan (2000) further added that social exchange theory was applicable in the marketplace in the situations of high product involvement, inelastic product demand, frequent exchanges, and recognized need for relations between the product seller and purchaser.

Another framework contributing to the interest on relationship orientation in marketing as noted in literature was the reciprocal action theory (Li and Dant, 1997; DeWulf et al, 2001). The theory was centered on reciprocity principle in exchanges as the key element to the stability and longevity of relationships (DeWulf et al, 1992). Reciprocity included the assumption that the exchange in interaction between two parties contained value and that each party would equally reciprocate in the exchange, based on the experienced worth of the value obtained (Bagozzi, 1995). As observed by DeWulf et al (2001) the principle of reciprocity was considered relevant to the studies on RM, as it described the phenomenon of preference for certain providers and/or customers in the exchanges (preference based on the past previous experiences in interactions), especially relevant in the business-to-business setting but also increasingly emerging in consumer markets as well.

Similarly, as noted by Flambard-Ruaud (2005), the analysis of communication and patterns and the influencing forces in transactions through the framework of the interaction theory has also contributed to the origins of the research on RM, with early remarks that the closeness within the exchanges was developed through mutual adaptation to expectations and behavior among participants. Literature often depicted the concept of relationships under the interaction approach and social exchange theory and the analogy of marriage, emphasizing the significance of commitment, loyalty, devotion, and closeness in high-bond relationships (O'Malley and Tynan, 2000; Proenca et al, 2008). However, Tynan (1997), Morgan and Hunt (1994), and O'Malley and Tynan (2000) critically observed that as the description of relationships was common for the RM business-to-business exchanges of industrial products, the consumer good market was more characterized by interactions depicted as detached, of greater social distance and lower level of commitment. Moreover, O'Malley and Tynan (2000) suggested that although the social exchange theory contributed to the introduction of the concept of relationships in modern marketing, its intrinsic traditionalistic view in marketing indicated certain drawbacks relevant to the transactional theory of marketing, and thus the need for further research towards relationship-oriented marketing was recognized.

2.2.4 Development of RM theory and RM Schools of Thought

Research tradition within the domain of RM was established by four distinctive schools of thought contributing to the development of RM philosophy: Nordic/Scandinavian School of Thought, research by Industrial Marketing and Purchasing (IMP) group, North American School of Thought, and Anglo-Australian School of Thought (Bush *et al*, 2007; Christopher *et al*, 2002; Harker and Egan, 2006; Palmer *et al*, 2005; Palaima and Banyte, 2006; Simberova and Pollard, 2008).

Nordic/Scandinavian School of Thought on RM was led by vision of relationship management and grounded its research tradition on theories common in industrial marketing, marketing of services and economics of customer relationships, with works by Grönroos and Gummesson being representative of this research movement (Grönroos and Gummesson, 1985; Gummesson *et al*, 1997; Simberova and Pollard, 2008). Nordic School of Thought envisioned marketing as customer-oriented, valuing meaningful relationships with internal and external market participants (Grönroos, 1996). Research under this school of thought contributed with identification of major processes in relationship management, including processes of interaction, dialogue, and value (Palmer *et al*, 2005).

Research contributions by the IMP group were closely linked to the Nordic/Scandinavian School of RM Thought (Bush *et al*, 2007), but were differentiated by a strong focus on networking theories and efforts to transform relationships into competitive advantage (Aijo, 1996; Easton, 1995; Hunt, 1997). Research by IMP group was guided by philosophy that genuine value from relationships could be derived by nurturing only selected liaisons within networks (Bush *et al*, 2007). The contributions of the IMP group to RM research included studies on the dynamics of relational channels within networks, relationship value, and influences of information technology on evolution of relationships in networks (Bush *et al*, 2007).

The Anglo-Australian School of Thought chiefly centered on the research within the domain of marketing of services (Christopher *et al*, 2002; Palaima and Banyte, 2006). Some of the key elements researched under this school of thought included: concepts of service and relationship quality, customer lifetime value, and internal marketing (Christopher *et al,* 2002). Main insights of Anglo-Australian research tradition included theorizations on the links between customer value, quality of service delivery and development of exchanges between service organizations and their customers (Palaima and Banyte, 2006).

Before reviewing research contributions of the North American School of Thought it is important to note that RM research branched into two main directions: the congested view on RM with broad application across different types of markets and the more holistic understanding of RM with narrow scope of applications valid only for certain markets and industries (Sheth and Parvatyar, 2000). While the latter direction was characteristic predominantly for Nordic and Anglo-Australian research traditions, the former was introduced by the North American School of RM Thought (Payne, 2000). According to Payne (2000), the North American approach proposed broadening the scope for RM from industrial marketing and researching prospects to transfer its principles to consumer goods industries. While exploring possibilities for measuring the value of relationships, North American research tradition placed emphasis on the customer service as the key element in relationship management, and introduced technology-based concepts of Customer Relationship Management (CRM) and direct marketing (Sherrel and Bejou, 2007; Gronroos, 1997). Due to its attempts to introduce systematic management to relationships, North American approach to RM was frequently criticized by scholars for projecting traditionalistic view on marketing, common for transactional marketing approach (Palmer and Bejou, 2005).

While these traditions of RM teaching differed in their research contributions, they also adhered to different philosophical approaches to research. Literature suggested that European research contributions were genuinely relativistic by nature, oriented towards seeking and analyzing rich, descriptive, and context-specific data, and favoring qualitative methodology in studies (especially case study approach) (Brodie *et al*, 1997). On the other hand, the North American school of thought was built on the positivist perspective and logical traditions of empirical research, often implementing quantitative methodologies thoroughly testing the validity of the proposed models and hypotheses (Brodie *et al*, 1997).

2.3 Social media marketing and its significance to RM

2.3.1 Defining Web 2.0 and Social Media

The term Web 2.0 was introduced in the field of marketing by O'Reilly (2005), who used it to describe innovative online communication strategies by companies that managed to survive the burst of the "dot-com bubble" in early 2000s (collapse of speculative market of investments in e-commerce business startups) (Constantinides and Fountain, 2008). According to O'Reilly (2005), companies that overcame the "dot-com" market collapse adhered to three major principles that marked the birth of new era in online marketing and services. These principles included:

1) focus on open-source applications as end-services, characterized by free accessibility to users, user-friendly interfaces, customizable service offers, and promotion chiefly through user networking;
2) continuous and consistent user engagement through active feedback, editing, and collective user intelligence, which allowed real-time customer-centered online service development in response to user needs and preferences;
3) emergence of new online business models with focus on narrowly defined niche customer bases, targeted with low-volume, concentrated and customized offers through interactive online communication channels (Constantinides and Fountain, 2008).

According to Constantinides and Fountain (2008) these principles presented important step towards more interactive online exchange between organizations and individuals that was described under term Web 2.0, signifying next chapter in interactive online communications.

As explained by Cooke (2008) and Pannunzio (2008), today Web 2.0 stands as a collective term for a variety of new communication platforms and tools used in interactive creation and distribution of online content, with key emphasis on user experience. These tools include content management and dissemination applications and aggregators such as Real Simple Syndication (RSS) feeds, content mapping, tagging, plug-ins, social bookmarking etc, with common purpose to enable online users to share content and information across networks with a single "click" (Constantinides and Fountain, 2008; Dearstyne, 2007). Along with these tools, Web 2.0 philosophy of user-centered online experience also incorporates the concept of "social media", which stands for online social channels and platforms that provide supportive background for networking, communication and interactive exchange among online users (Pannunzio, 2008). Constantinides and Fountain (2008) provided general classification of social media according to most common types and their applications (Table 3).

Table 3: Classification of social media, adapted from Constantinides and Fountain (2008).

Type	Description
Blogs	Web logs and open platforms for online content creation, often used for journal-like, cumulative creation of content, allowing readers to place their own comments, reviews and votes on content and thus contribute to the development of discussion on topics of blog posts
Podcasts (personal on-demand web-casts)	Media containing digital audio/video content that can be uploaded, streamed and downloaded on interactive online social channels and portable social media devices
Content communities	Interactive membership-based websites focused on organizing and sharing content according to its type, medium and format (e.g. "Flickr" – online photo sharing community; "YouTube" – online video sharing community etc)
Wikis	Websites aggregating cumulative knowledge of online contributors on variety of concepts and topics (e.g. "Wikipedia")
Online social networks/communities	Memberships-based platforms allowing users to create their own personal web-pages to exchange personal information and content among peers in the same network (e.g. "Facebook", "MySpace", "LinkedIn" etc.)
Forums/bulletin boards	Interactive media where users exchange ideas and information on the basis of specific interests and topics (e.g. www.epinions.com).

What distinguishes Web 2.0 tools and social media from the web technologies of the past is the empowerment given to users to customize online content and manage its stream according to their own needs and preferences, using user-friendly and accessible tools that do not require substantial knowledge in software programming to aggregate online information and disseminate it across online networks and channels (Cooke, 2008; Malaga, 2009). Thus, for the first time the power over content on the Internet is not reserved only for a handful of highly skilled software experts, but is accessible to masses for publication, editing, reviewing, voting and sharing (Kozinets, 2009, Pannunzio, 2008). Some call this radical shift towards the ideology of "people's Internet", where agenda for online communications and exchanges is set by web users for web users, thus de-centralizing the power over information from authoritative entities to the self-governed networks of individuals (Hardey, 2009; Kozinets, 2009; Pannunzio, 2009). This way Web 2.0 and social media allow the importance, trustworthiness and value of online information to be determined by the collective power of online networking among users and by the span of interactivity of their communications on the web (Malaga, 2009).

Another distinctive characteristic of Web 2.0 is the philosophy of connecting people across the web rather than documents, thus setting new values and criteria for online communications with the goal of mimicking the dynamics of socialization among people in the virtual online setting (Beer, 2008; Comley, 2008; Kozinets, 2009). Once posted, the content in social media is not stagnant anymore but becomes the subject of continuous user re-evaluation and alteration, thus placing the center of attention not on the news but on the dynamic discussion that occurs among users participating in social media (Cooke, 2008; Stone, 2009).

2.3.2 Social media marketing Traditional online marketing vs. social media marketing: What changed?

The depth of Web 2.0 significance to contemporary consumer behavior is not precisely determined yet, but marketers theorize that it has already left a footprint on the modern mainstream culture and has become important pillar supporting social interaction in the digital era (Ewing, 2008; Hardey, 2009). While Web 2.0 generation of online communications changed the manner in which information is created and spread over Internet, it also created a puzzle for marketers in finding the ways to reach consumers in new media channels that are primarily created for socialization and networking rather than marketing promotion and product placement (Cocheo, 2009b; Hardey, 2009; Pannunzio, 2008; Stone, 2009).

The main questions for marketers in the era of social media are: a) how is the role of marketing changing in times where control over content and information is slipping away from the hands of organizations and is moving to the world of Web 2.0 communications ruled by consumers; and b) will the traditional theories and practices of marketing stand the test of validity and relevancy in the world of contemporary online media (Cocheo, 2009b; Pannunzio, 2008).

Web 2.0 and social media introduced several distinctive changes in consumer behavior that require re-examination of traditional marketing models for their effectiveness and efficiency in the new interactive online setting (Constantinides and Fountain, 2008; Pannunzio, 2008; Stone, 2009). Web 2.0 contributed to the emergence of the new "confessional society" – term used by Beer (2008) to describe new trend in consumer behavior where online users (given convenient tools to control dynamics of communications occurring online) are becoming more eager to share their own personal opinions, attitudes, thoughts and experiences about products, services, organizations and public issues in open channels of social media. User status in social media is determined by the richness and originality of content shared in online social networks, and this serves as motivation for online users to share their personal information in Web 2.0 context (Kozinets, 2009).

Characteristic behavior of social media users does not only include enthusiasm for proactive sharing of information, but also includes search for affirmation in consumer decision-making from relevant online communities (Beer, 2008). And while discussion in social media channels often reflects opinions, attitudes and experiences of online users as consumers of products and services, marketing experts sense that Web 2.0 could pose as a new pool of untapped and phenomenally rich consumer data that could be used as powerful intelligence in consumer segmentation and targeting for marketing purposes (Casteleyn *et al*, 2009; Comley, 2008; Hardey, 2008; Pannunzio, 2008).

2.3.3 The premises of marketing via social media

Web 2.0 creates new opportunities for marketers, as content shared in social media contains not only information on what consumers genuinely think about products and services available in the market, but also includes their feedback on product/service quality, consumer satisfaction and even creative ideas for product/service improvements (Beer, 2008, Hardey, 2008; Kozinets, 2009). And since all this information is shared in open and accessible online media channels, the potential for marketing research is immense and is especially appealing to the domains such as online branding, public relations and online consumer behavior (Pannunzio, 2008).

However, debate spurs over how all this new customer information obtained in social media channels will be used by marketers to promote products and services in the Web 2.0 environment. The ethical issues of privacy and ownership of information posted in social media channels are only one of several challenges that Web 2.0 presents to marketing practice (Kozinets, 2009).

What is more important as argued by Beer (2008) and Casteleyn *et al* (2009) is the challenge for marketers to understand that the interactive nature of Web 2.0 and social media makes traditional outlook on customers as “audience” obsolete, as Web 2.0 generation demands to be actively included in the conversation occurring online rather than being passively marketed “to”. Traditional online advertising is considered passé by Web 2.0 users, who display more favorable and agreeable attitudes towards marketing campaigns that are personalized, engaging, interactive, and call to actions directed not only at buying but also to socialization (Ewing, 2008).

Marketing in Web 2.0 era is expected to be a platform for constructive exchange of ideas between organizations and customers rather than for one-sided online promotional propaganda (Stone, 2009). Furthermore, since the flow of information in social media channels is in the hands of users, it becomes increasingly easy for consumers to verify and disseminate truthfulness of marketing claims across the web via Web 2.0 word-of-mouth, thus posing additional challenges for companies to ensure that their products and services deliver promises (Iverson and Vukotich, 2009). This also extends to the need for marketing in Web 2.0 to support corporate transparency on all levels of communications with customers (Malaga, 2009).

Moreover, the diversity of Web 2.0 tools and social media sites pose challenge for marketers to determine the right mix of features and channels to be included in marketing strategies and communications with customers in the online setting (Ewing, 2008). Social media introduce new standards in communicating messages to Web 2.0 users, such as the need to be genuinely interested in what customers say in social media about products/services and organizations, the need to be attentive to feedback obtained in social media channels, the readiness to address both positive and negative contexts in interactive communication with users, and the ability to maintain ongoing dialogue in social media channels while also staying interesting and relevant (Comley, 2008; Casteleyn *et al*, 2009; Stone, 2009). Marketing efforts in Web 2.0 setting should incorporate these standards, and managing campaigns in new online social media could prove challenging (Pannunzio, 2008).

Meanwhile, practical evidence on the role of marketing in Web 2.0 era of communication is still scarce and is accumulated on case-by-case basis of examples of Web 2.0 implementation in marketing in different industries. Literature commonly notes that industries addressing highly competitive consumer markets, such as food and beverage industry, apparel industry and entertainment industry pose as pioneers in the quest to leverage the dynamics of Web 2.0 communications in marketing (Constantinides and Fountain, 2008; Cooke, 2008; Kozinets, 2009).

Nevertheless, as Constantinides and Fountain (2008) remarked, despite high expectations, hard evidence on the positive outcomes and effectiveness of Web 2.0 marketing is still missing, as even organizations proactively catching the wave of Web 2.0 trend are still only in early phases of learning how to adopt marketing to Web 2.0-empowered society. Much remains to be explored regarding marketing strategies in social media across various markets and industries (Cooke, 2008; Dearstyne, 2007; Pannunzio, 2008; Stone, 2009).

2.4 Establishing links between RM and social media

As stated previously, social media initially emerged as virtual platform for networking and social exchange among individuals. As such, the key to the power of social media lies in the strength of online social networks and the scope of their influence over dominant public opinions and trends (Pannunzio, 2008). The role of marketing under these terms is to create meaningful links among companies and social networks, nourishing interactions between organizations and consumers in interactive online setting and developing discussion on organizational issues relevant to consumers (Stone, 2009).

Meanwhile, interactive exchanges and social networks have been also considered the center of gravity for the philosophy of RM, which was built on the premise that meaningful interactions among entities (individuals as well as companies) and relationships that result from them have the power to enhance the value of exchanges and the quality of their outcomes, and that the role of marketing is to create, support and develop these relationships (Sheth and Parvatiyar, 2000). Thus, it is suggestive that social media and RM doctrine share similar perspectives on the role of marketing and its significance for the development of interactive exchanges.

Literature suggested that open format of social media provides fruitful environment for live interaction between users and companies to occur, enabling exchange of knowledge, experiences and ideas among entities, and contributing to the development of virtual relationships (Pannunzio, 2008). Thus, it could pose as a new promising platform for supporting the RM approach to customer management in the online setting (Stone, 2009). More specifically, while providing rich pool of consumer information, social media also provides means and tools for reaching vast volume of different customer segments and to participate in their interactions while also communicating targeted marketing messages through highly optimized media in timely and responsive manner (Cooke, 2008; Comley 2008). These capabilities were regarded by RM literature as precisely the elements required for the efficient execution of the RM approach in the online setting (Stone, 2009).

Nevertheless, due to novelty status of social media and Web 2.0, very limited evidence is available in the academic marketing literature on the scope for leveraging social media in implementing RM strategies (Stone, 2009). While the interest in the possibility to translate RM approach in the Web 2.0 setting is on the rise, there is relatively little research dedicated to exploring the prospects of this idea so far (Liang et al, 2008; Cooke, 2008). Academic marketing journals increasingly stress the importance of research efforts that will seek to explore the possibilities for Web 2.0 implementation in various branches of marketing, and how these will vary for different industries (Cooke, 2008; Beer, 2008; Cocheo, 2009b; Dearstyne, 2007; Hardey, 2009).

2.5 RM Research in the domain of financial services marketing

Stemming from research in marketing of services, considerable body of contemporary literature was devoted to RM studies in the context of financial services industry. The importance of RM approach to financial services was manifested in the existence of the concept “relationship banking”, which encompassed philosophy of customer relationship management and marketing constructed specifically for this industry (Barnes and Howlett, 1998).

According to Papazissimou and Georgopoulos (2009), the primary goal of "relationship banking" is maximization of customer lifetime value through relationships with individual high-value customers and marketing initiatives spurring long-term customer loyalty. According to Das (2008), Dawes and Brown (2000), Kapoulas *et al* (2004), Proenca *et al* (2010), RM philosophy is significant for financial service industry, considering its high levels of competition, little genuine differentiation among market offers, and sensitivity of data exchanged between customers and financial institutions. Industry is generally characterized by opulence of complex and very similar products and services, where gaining customer satisfaction and trust in the long-run is considered attainable primarily through establishment of meaningful relationships that would be insightful to needs, preferences, and lifestyles of customers as individuals (Dawes and Brown, 2000; Proenca *et al*, 2010).

RM approach in industry with highly intangible products was argued to contribute to more concrete feel of financial products for customers, enhanced service quality, customer trust and customer loyalty (Carson *et al*, 2004; Durkin *et al*, 2007; Gummesson, 2002; Liang and Chen, 2009). Financial services industry benefited from the RM approach through opportunities for personalization of services, savvy customer segmentation and targeted cross-selling strategies (Johns and Perrott, 2008; Malhora and Agarwall, 2002; Martin-Consuegra *et al*, 2006). As noted by Dawes and Brown (2000) and O'Loughlin *et al* (2004), "relationship experience" in financial exchanges between organizations and customers improves information-sharing processes and contributes to more knowledgeable service, reduced information asymmetry between parties, personalized marketing offers and enhanced customer satisfaction.

A notable body of literature was dedicated to researching elements that comprised RM for financial services. Studies examined elements that influence customer trust in retail banking institutions (Gill, 2008), determinants of customer loyalty and receptiveness to relationships with banks (Alrubaie and Al-Nazer, 2010; Eisingerich and Bell, 2006; Ivanauskiene and Auruskeviciene, 2009; Martin-

Consuerga *et al*, 2006, O'Loughlin and Szmigin, 2006a), determinants of relationship quality in the industry (Athanassopoulou, 2006), typologies of relationships (Eriksson and Soderberg, 2010; O'Loughlin and Szmigin, 2006b), effects of RM on branding of banking institutions (Foo et al, 2008), strategies for building competitive advantages through RM approach (Bergeron *et al*, 2008), effectiveness of RM programs in banking (Pisharodi *et al*, 2003; Shekar and Gupta, 2008), and balance between transactional and RM approaches in the industry and scope for their co-existence (e.g. Carson *et al*, 2004; Coviello *et al*, 1997; Durkin *et al*, 2007; Lee, 2002; Walsh *et al*, 2004).

Significant volume of research in the last decade focused on impacts communication technologies produced on RM approach in financial services industry. As observed by Proenca *et al* (2010), RM practice in the industry experienced transformational changes with the introduction of automated teller machines (ATMs), telephone/mobile banking, CRM systems and online communication platforms. Of particular research interest was introduction of CRM technology, which enabled collection of vast volumes of consumer data that allowed targeted customer portfolio management and assessment of lifetime customer value on mass scale and promised to enhance RM approach for the industry (Buttle, 2004; Sciglipaglia and Ely, 2006). Research in this field focused chiefly on examining business components of CRM systems, their adoption among financial service organizations, and effectiveness of their performance (Dibb and Meadows, 2004; Rootman *et al*, 2008; Ryals and Payne, 2001; Sciglimpaglia and Ely, 2006; Verhoef, 2003; Winsor *et al*, 2004).

Meanwhile, Internet communications opened scope for new business formats and enabled exchanges between financial institutions and their customers to occur in remote virtual environment (Proenca *et al*, 2010). Primary objective of online initiatives in the industry was improvement in quality, delivery and accessibility of fundamental financial services to customers (Heinonen, 2006; Johns and Perrott, 2008; Liang and Chen, 2009; Proenca *et al*, 2010). In this sense, online financial services (i.e. e-banking) were seen as valuable alternative service channels, offering customers speed, convenience, timeliness, and choice in handling financial transactions over Internet, while in turn lowering costs, enhancing efficiency of operations for financial service organizations, and opening new opportunities for marketing (Hughes *et al*, 2007; Kapoulas *et al*, 2002; Lang and Colgate, 2003; Liang *et al*, 2008; Proenca *et al*, 2010).

Additionally, according to Liang and Chen (2009), the interactive nature of Internet enabled financial service institutions to obtain massive volumes of customer information (collected automatically at points of online transactions), which provided better understanding of customer preferences, greater service convenience and enhanced customer recognition that were more challenging to achieve during person-to-person or telephone service encounters. As noted by Johns and Perrott (2008), online services were seen as new source of innovativeness in the industry and opened additional room for differentiation and competitiveness. As a result, new wave of studies emerged researching determinants of customer choice between traditional brick-and-mortar banking and virtual online transactional services (Branca, 2008), customer trust in online banking technology and acceptance of online service outlets (Grabner-Krauter and Faullant, 2008; Johnson *et al,* 2008; Yap *et al*, 2009), quality of online banking services (Lang and Colgate, 2003), multidimensional values of online financial services for customers (Heinonen, 2006), and effects of interface of online banking outlets on customer satisfaction and loyalty (Casalo e*t al*, 2008).

Insights on the advantages of online communications for financial service industry spurred interest on whether there was a scope for RM approach once exchanges between financial service providers and their customers moved from traditional person-to-person encounters in brick-and-mortar setting to virtual environment (Liang and Chen, 2009). Questions emerged on whether and how RM approach could be transferred to the online setting and how online services affected RM in financial services industry (Johns and Perrott, 2008).

Research efforts spanned across studies examining impacts online self-service and communication technologies produced on RM (Proenca *et al*, 2010; Rootman *et al*, 2008; Shapiro *et al*, 2003), the feasibility and transferability of RM approach in virtual environment of online banking (Kapoulas *et al*, 2002; Sciglimpaglia and Ely, 2006), the effects of online banking on relationship quality (Lang and Colgate, 2003), the ability of online RM to enhance customer retention and cross-buying (Liang *et al*, 2008) and the contributions of CRM systems to the effectiveness of online RM approach (Dibb and Meadows, 2004; Ryals and Payne, 2001; Sciglimpaglia and Ely, 2006; Verhoef, 2003; Winsor *et al*, 2004).

2.6 Opportunities for social media marketing in the retail banking industry

Following observations in literature that marketing phenomena are context-bound and as such should be approached with consideration for specificities of the industries they are commonly manifested in (Egan, 2003; Moller and Halinen, 2000), the overview of recent research efforts in the domain of RM will be centered on the insights from the industry of financial services.

Scope for using online communication technologies in RM strategies has been of great interest for the industry of financial services (Carson *et al*, 2004; Gummesson, 2002; Johns and Perrott, 2008; Kapoulas *et al*, 2002; Lang and Colgate, 2003; Proenca *et al*, 2010). However, there has been notable criticism among marketing academics stating that so far online communications have only been used to automate the delivery of simple transactional services to customers and to communicate one-way promotional marketing messages via “traditional” online advertising, while efforts to support genuine relationships with customers online were often overlooked (Gummesson, 2002; Kapoulas *et al*, 2002; Proenca *et al*, 2010). Commonly referenced CRM systems were criticized for merely automating collection of customer information and optimizing on mass scale marketing offers without being able to convey the essence of genuine relationship between customer and bank (Gummesson, 2002; Liang *et al*, 2008; Menon and O’Connor, 2007; O’Loughlin *et al*, 2004). Thus, the possibility of translating RM approach in the online setting was doubted (Carson *et al*, 2004).

Nevertheless, some authors conceptualized propositions on how relationships with customers could be prompted in the online service environment for the retail banking industry. According to Liang *et al* (2008) and Liang and Chen (2009), relationships in the online setting could be cultivated using structural and social bonding strategies in interactions with customers. Structural bonding strategies should focus on providing timely, comprehensive, precise and personalized information to customers (Liang and Chen, 2009). Social bonding strategies were proposed to include “one-on-one online communication” with customers and *“answering* *questions responsively and offering tailored information to really help customers choose the exact services desired"* (Liang *et al*, 2008, p. 781). Authors also pointed that social bonding strategies in the online context should focus on the element of interactivity in communications with customers, but noted that vast majority of online channels used by banks are rather limited to static website content and email service as the only touch point for two-way exchange online (often lacking timeliness in responses and personalization) (Liang *et al*, 2008). Based on this, Liang *et al* (2008) proposed efforts that would attempt to mimic face-to-face personal contacts with customers and would be able to allude to a more "human" manner of interaction. This was supported by N'Goala (2010), who added that interactive online exchange and networking were crucial in establishing sense of affiliation and identification with bank for customers. Introduction of "social" element in execution of RM strategies online is crucial for achieving "affective customer commitment" and encouraging custom trust in online communications with service providers (Argyriou *et al*, 2005; Koutouvalas and Siomkos, 2006; Kupp and Anderson, 2007; Mennon and O'Connor, 2007; O'Loughlin *et al*, 2004). Having in mind previously described features and capabilities of Web 2.0 communications, it could be proposed that they present opportunities to support structural and social bonding strategies in RM initiatives of financial services organizations in the online setting. Stemming from past research efforts on the role of electronic media networks in bank marketing (Dawes and Brown, 2000; Kapoulas *et al*, 2002; O'Loughlin *et al*, 2004), further exploration of RM possibilities for financial services industry via new Web 2.0 channel seems only natural.

Academic journals dealing with marketing in financial services industry already speculate on possible opportunities and benefits that engagement in Web 2.0 marketing could bring to retail banking industry and to its advancements in the RM approach, proposing that marketing via social media could:

(1) Provide greater depth in understanding customer needs and attitudes towards financial service organizations and their products/services;
(2) Provide scope for advanced customer segmentation and niche targeting;
(3) Allow customer engagement in service support, evaluation and active contribution to development of new offers and improvement of services;

(4) Enable interactive information exchange with customers and real-time customer feedback on services and marketing offers;
(5) Provide online communication platform that is interactive, flexible and supportive for development of relationship-like bonds;
(6) Provide scope for building competitive advantage based on established relationships with customers in their own social media "terrain";
(7) Provide opportunities for highly targeted branding and cross-selling (Bielski, 2008; Cocheo, 2009a; Dearstyne, 2007; Pannunzio, 2008; Rootman et al, 2008; Stone, 2009).

For financial services industry the attractiveness of communication (channel accessibility, richness and interactivity) is one of the main factors determining customer's likelihood of developing relationship with an organization, and Web 2.0 is argued to satisfy this criterion by involving interactive media that are highly reflective of customer preferences, needs, and interests (Cocheo, 2009a; Johns and Perrot, 2008; Pannunzio, 2008; Stone, 2009).

2.7 Challenges and constraints of social media marketing in retail banking

Despite optimistic advantages that Web 2.0 and social media promise to deliver in implementation of RM approach, currently there is a lack of firm empirical evidence validating the truthfulness of these claims in practice. One of the main reasons is that organizations in financial services industry are still in the early exploratory stages of initiating the use of Web 2.0 and social media, while metrics evaluating effectiveness of social media engagement and its impacts on customer loyalty, satisfaction, trust and retention are still not developed for the industry (Liang *et al*, 2008, Pannunzio, 2008; Stone, 2009).

Majority of traditionally-oriented retail banks still remain skeptical to grand promises of Web 2.0, stating concerns over information privacy, loss of control over data and information flow, and implications on corporate image as impediments standing on the way to officially incorporating social media in RM (Pannunzio, 2008; Stone, 2009). Pry (2010) identified three principal risks for banks in relation to social media engagement, that come from: (1) social media activities conducted officially by the bank in the name of its brand; (2) activities in social media conducted by bank employees, and (3) activities of bank customers in social media and by general public. Mismanagement in content publishing and content control in any of the three forms of social media engagement related to banking have potential to negatively influence bank's brand reputation, trustworthiness of its online communication and services, and its credibility in social media (Pry, 2010). According to Pry (2010) and Vemuri (2010), just as social media are effective channels for disseminating promotional information across online consumer networks, they can be used for spreading libel and fraudulent information that damages corporate image and produces negative impacts on already fragile online relationships between organizations and customers (Scarborough, 2010). The self-regulatory ideology of social media and self-administered control over content by the online community do not always work, and this somewhat creates image for social media as being nothing more than rumor-spreading channels (Garrett, 2011; Jaser, 2010, Pry, 2010). Critics argue that social media do not pose as trustworthy platforms for communication between banks and their customers and clash with "serious" character of exchanges that take place between them, which might undermine the scope for genuine RM approach (Jaser, 2010, Scarborough, 2010). For financial service institutions this could be seen as a constraint impeding RM approach through social media (Jaser, 2010; Pry, 2010; Vemuri, 2010). Careful consideration must be made in terms of selecting the right mix of social media channels for RM strategies that would correspond to the preferred interaction format of customers to be targeted in Web 2.0 setting (Vemuri, 2010).

Furthermore, debate arises to how technical malfunctions and abuse of open Web 2.0 scripts could impact eagerness of organizations to use social media and Web 2.0 tools in their RM efforts. Although relying on the collective expertise of numerous developers to handle software malfunction, Web 2.0 is not immune to virus attacks and malware (Pry, 2010). Jaser (2010) pointed to examples of how some of the most popular social media platforms such as "Facebook" and "Twitter" suffered when fictitious pages of brands were created to lure customers into following them and share their personal financial information, which was further collected by maliciously inserted software scripts and used for cyber crime. According to Cohen (2010) and Scarborough (2010), a lot of personal data that users openly share in online social networks is often unprotected and could be used by fraudulent entities to approach individuals under pretense of representing their financial service provider and manipulate users into revealing their account information. This practice is known as "social engineering attack", and users of social media are especially vulnerable to this type of fraudulent activities (Cohen, 2010). As summarized by Jaser (2010, p. 33):

"Social media presents several flavors of risk, including threats embedded into pages, phishing and other criminal techniques that exploit the social engineering chat, and the unwitting slips of confidential information."

These unfortunate cases subsequently cause damage to users' trust in corporate pages in social media, as they fear they could not be sure as to who is actually standing behind the corporate logo on social media pages (Scarborough, 2010). Once scammed, customers might not be receptive to social media approaches from financial institutions anymore, and their trust in the financial service provider will be shattered (Scarborough, 2010).

This poses as constraint to the extent Web 2.0 and social media can be used in RM by financial service institutions, as consumers might reject transferring their relationship with financial service provider to "faceless" medium, where neither of the parties can be absolutely sure in the authenticity of representation is social media (i.e. bank's profile in social networks might be run by an unauthorized individual, while person appearing as bank's customer might be a cyber criminal or even competitor's intelligence agent) (Jaser, 2010; Scarborough, 2010). The impediment comes from the fact that at the moment financial service organizations can do little to prevent fraudulent activities in Web 2.0. According to Stone (2009), there is a need for transparency in social media engagement by banks who have to be explicit in informing their customers of official and "safe" social media channels representing their organizations. Furthermore, Garrett, (2011), Jaser (2010) and Pry (2010) urge financial service institutions embarking upon social media to carefully devise steps for authenticating information published and disseminated across social media and to be proactive in devising their own original solutions for tackling the problem of making social media safe for RM.

2.8 Opportunities for further research

Having in mind the opportunities and constraints Web 2.0 and social media present to RM for financial services industry, it is evident that further research is required in order to identify strategic assumptions, tactics, requirements, advantages, risks, expectations, and results of Web 2.0 initiatives by retail banks in RM approach. There is a need for research that will explore and define the kaleidoscope of aspects that determine the scope of transferability of RM efforts by retail financial institutions in Web 2.0 world of communications, which will serve as a reference point in future assessments of achievements in the field (Pannunzio, 2008; Stone, 2009).

Majority of research efforts attempted to test applicability of common RM frameworks and traits in the environment of online financial services, and the findings were quite diverse. On the one hand, several research insights suggested that relationships between financial service providers and their customers were attainable in online environment, and even proposed strategies for their effective development and management (Liang and Chen, 2009). For instance, Liang and Chen (2009) argued that online RM was not only attainable for the industry, but also had potential to enhance customer satisfaction and loyalty. Importantly, they proposed that for financial service institutions:

"The role played by the Internet is no longer that of an information provider but of a relationship manager" (Liang and Chen, 2009, p. 228).

Proenca *et al* (2010) proposed that relationship dynamics in online service setting were determined by the intensity of engagement in online services, diversity of access locations and the variety of online service applications available to customers. Furthermore, Liang and Chen (2009) proposed various strategies for attaining different goals of online RM for financial service industry (e.g. online financial bonding strategy for attaining customer retention and online structural bonding strategy for deepening existing relationship and extending breadth of exchanges) (Liang and Chen, 2009).

On the other hand, several research studies on the subject argued that by definition relationships were only truly achievable when personal contact between people was present during exchanges (such as at branch service points) and consequently "remote" and "impersonal" "self-servicing" online technologies by default could not incorporate the notion of genuine relationships (Durkin *et al*, 2007). Common observation supporting this line of thought was that transactional and relational exchanges existed in parallel in the financial services industry, and while the traits of relationships were more evident for traditional branch-based services, online interactions were primarily characterized to be of transactional nature (Durkin *et al,* 2007; Kapoulas *et al*, 2004). Research revealed that while offering appeals of speed, convenience, privacy and efficiency to customers, and artificial interaction between user and online interface was perceived as lacking elements of human touch, personality and social bond, which customers receptive to relationships commonly sought (Durkin *et al*, 2007; Kapoulas *et al*, 2004; Liang *et al*, 2008). According to Durkin et al (2007), the element of socialization in service encounter was described by many customers as important determinant of the likelihood of relationship development with financial service providers, especially when considering that relationships were sometimes accepted by customers on the grounds outside of direct economic motives and interests. The virtual character of online services was perceived by critics to rule out the possibility of achieving true intimacy of human relationships between financial service providers and their customers in the Internet setting, and was thus seen as detrimental for the future of RM in the online financial services sector (Durkin *et al*, 2007; Liang and Chen, 2009).

There are two sides of the coin when it comes to the role online technologies play for financial services industry: while on the one hand their automated and streamlined features offer enhanced efficiency of communication between customers and their financial service providers, their remoteness suggests little scope for interactive discussion, potentially diluting the bonds on which relationships in the industry are traditionally built (Egan, 2003; Gummesson, 2004; Proenca *et al*, 2010). Additionally, research revealed that while vast amount of information available to customers online on demand contributed to decreased information asymmetry between financial service providers and consumers in favor of the latter, this also opened the gates to “cherry picking” behavior among customers and eroded loyalty to online financial service providers, thus leading to counter-productive effects on the RM efforts and diminishing customer interest in relationship development (Barbesino *et al*, 2005; Durkin *et al*, 2007; Liang *et al*, 2008).

Despite this dichotomy of views on the achievability of relationships in the setting of online financial services, researchers generally agreed that Internet technologies introduced invaluable addition to the array of alternatives for customers in their choice of channels for delivery of financial services (Durkin *et al*, 2007).

However, past research efforts haven't offered yet a consensus on whether relationship approach is attainable for financial service providers in the online service environment and the subject remains open to new research contributions (Proenca et al, 2010).

Meanwhile, online technologies do not stand still and are progressively moving from "the old Web" to the innovative generations of so-called "Web 2.0" and "Web 3.0" communications with new online service models and standards of communication (Stone, 2009). It is still to be explored what role Web 2.0 communication technologies will play on the scope of RM application in the industry of financial services (Stone, 2009).

Current literature on financial services marketing already acknowledged growing importance of social media in contemporary consumer lifestyles, and identified Web 2.0 as new promising platform for bank marketing in the era of online social networking (Cocheo, 2009a; Hardey, 2009; Pannunzio, 2008; Stone, 2009). Examples of retail banking organizations initiating Web 2.0 marketing campaigns are already emerging in UK and US, and point to first industry efforts to leverage the power of online social media in domains such as branding and internal marketing (Bielski, 2008; Cocheo, 2009a; Hardey, 2009; Stone, 2009).

While financial services industry still seeks to find optimum balance between transactional services and relationship-inducing marketing offers, customers are taking proactive steps towards managing their personal and business networks using new interactive online platforms. Thus, in order to sustain customer-oriented philosophy as the core of RM in the online setting of financial services, new research efforts should be directed towards exploring how the innovative concepts of Web 2.0 communication technologies could be used to contribute the implementation of RM philosophy in the field of financial services.

2.9 Opportunities for research the role of social media in RM in the context of the banking industry in SEE region

SEE region refers to the geographic area of Greece, Bulgaria, Romania and countries of former Yugoslavia also commonly known as Western Balkans (Serbia, Croatia, Bosnia and Herzegovina, Slovenia, Former Yugoslav Republic of Macedonia

(FYROM) and Montenegro) (Bartlett, 2009; Penev and Marusic, 2009). The region is composed of countries that are long-term EU member states (Greece), newly admitted members to the EU (Bulgaria, Romania, Slovenia), official candidates for the EU membership (Croatia, FYROM and Montenegro), as well as potential candidates to the EU (Serbia, Albania, Bosnia and Herzegovina) (Bonetto *et al*, 2009). The proximity to EU is indicative of the level of economic growth and stability of the countries in the region. Discrepancies in economic competitiveness are especially evident between polarized cases such as Greece (EU member) and Albania (non-EU member), which demonstrate dramatic differences in economic wealth and pace and approaches towards economic growth in SEE (Bonetto *et al*, 2009).

What makes SEE region interesting for research is that it consists of countries of very diverse economic and political profiles but of common historical roots and similarities in cultural heritage (Bartlett, 2009). It is interesting to explore how different economic conditions in SEE countries dictate differences in business approaches on micro scale, while enticing similarities in business philosophies on macro SEE scale that set the region apart from the rest of Europe. This is especially evident through the case of financial service institutions in SEE.

Last decade was marked by massive reforms in the financial sector for the countries of SEE region (Bonetto *et al*, 2009). During late 1990s and early 2000s, retail banking in the SEE region underwent reforms towards more globally oriented policies (Bartlett, 2009). Reforms have been directed towards improvement of competitiveness of banking institutions through privatization of public credits and changes in legal and institutional frameworks towards European integration (Bonetto *et al*, 2009). For Western Balkan countries this period marked the entry of foreign banking organizations (e.g. from Italy, Austria, Greece) which acquired economically defeated local banks and introduced novel internationally-oriented business approaches (Bartlett, 2009). According to Bonetto *et al* (2009), privatization of banks and arrival of foreign banks to the countries of SEE region contributed to enhanced confidence in the banking environment in the region, evident from the increased volumes of deposits and savings and stable GDP growth. Additionally, retail banking sector in the region demonstrated initiatives to move gradually from transaction-oriented banking towards focus on long-term customer value and commitment (Lymperopoulos and Chaniotakis, 2005).

Nevertheless, the hit of global economic crisis hindered positive developments in the financial sector of SEE countries, affecting consumers' confidence and trust in financial service institutions, especially in Western Balkan sub-region (Barltlett, 2009). According to Bonetto *et al* (2009), as a result of global economic turmoil, consumers in the SEE countries expressed stronger preference and trust in foreign "pro-Western" financial institutions that have entered the region. According to Bartlett (2009), low trust in local financial institutions was manifested through need for highly structured formal contracts and contract monitoring between financial institutions and their customers.

This consequently contributed to the increased costs of doing business in the region and obstructed overall efforts towards approximation to the economic standards of core EU states (Bartlett, 2009). Additionally, initiatives towards customer-orientation of financial service institutions in SEE became overshadowed by the financial measures undertaken on macro-economic plan to tackle the forces of economic crisis. There is no account to how financial institutions in the SEE region currently envision the scope for customer-centeredness and RM approach. The sentiment of customers of financial service organization in SEE towards the prospect of long-term loyalty and trust in financial service providers operating in the region is also under-explored, and poses grand question on the overall scope for genuine RM approach in banking in the SEE. There is a need for research that would explore parameters shaping and defining banking practices in the SEE countries, while taking into account the diversity of economic challenges and problems these countries face and how these forces influence the prospects for customer-centeredness and RM approaches for the banking sector in the region.

Moreover, SEE region presents interesting case for research from the viewpoint of technological development and its impact on business practices of financial services. According to Bartlett (2009), favorable political conditions and efficient economic reforms directed towards approximation to the EU standards allowed some countries of the SEE region (e.g. Slovenia) to follow "high technology" path, characterized by proactive set of measures that promote technology adoption among enterprises in the country. However, due to political instability and difficult process of transitions and reforms, majority of Western Balkan countries took the road of "low technology" path, where technological development was placed under secondary priority and relied mainly on technology transfers and investments from abroad (Bartlett, 2009). This path was also characteristic of the rate of adoption of online service technologies in the region as well.

According to Arnaboldi and Claeys (2008), the forces of internationalization and consolidation in the EU banking sector contributed to the progressive adoption of Internet communications and services as new sources of competitiveness for the financial services industry in Europe. However, the rate and extent of incorporating online services and communications by financial institutions varied significantly from country to country, with Northern European countries (esp. Finland, Sweden, UK, Germany) offering much broader scope of online financial services and enjoying greater customer popularity than the Mediterranean countries (such as Spain, Italy, Greece) or the countries of South-East European (SEE) region (Arnaboldi and Claeys, 2008; Lopez Zafra, 2002).

Traditionally, major reasons for such discrepancies across the continent were generally attributed to differences in economic powers and technological advances among countries in different regions in Europe. The phenomenon of “digital divide” proved to be true for various regions in Europe, and was especially evident for the SEE countries (Demoussis and Giannakopoulos, 2006). Internet usage rates for SEE region were below EU average and discrepancies were largely attributed to economic challenges and lower standards of living of southern European countries (Demoussis and Giannakopoulos, 2006). Factors such as gender, age, education, household income, family size and cost of Internet access were considered as determining variables of Internet usage among population in various regions in Europe (Demoussis and Giannakopoulos, 2006). However, SEE countries demonstrated that these factors were not valid for southern Europe, where population of the same profile as northern counterparts (in terms of age, education, income etc) and with the same level of accessibility to broadband Internet services showed comparatively lower interest in Internet usage and adoption than equivalent population in western and northern Europe (Demoussis and Giannakopoulos, 2006). Similar patterns were valid for the adoption and usage of online banking services as well (Lopez Zafra, 2002).

According to Demoussis and Giannakopoulos (2006, p. 244), differences in the Internet usage rates between northern and southern Europe were ascribed to *"cultural and attitudinal differences"* and *"unobserved population heterogeneity*. It was highlighted that although Internet access is a key requirement for Internet usage, it proved to be *"not a sufficient condition for Internet use"* for southern European countries (Demoussis and Giannakopoulos, 2006, p. 235). Research suggested that differences in consumer culture across different European region played crucial role in determining customer predisposition towards online channels for delivery and support of their exchanges with financial service institutions (Lopez Zafra, 2002). The importance of personal communication and trust in the online interaction were considered particularly evident for Southern European countries, and these factors were regarded as major determinants of customer interest in online retail banking services (Arnaboldi and Claeys, 2008).

SEE countries display comparatively lower development of online banking services, under the premise that customers in these countries show greater value and preference for personal and socially-inducing interaction with financial institutions (Lopez Zafra, 2002). Strong preference for face-to-face contact and perceived safety of branch-based, "tangible" delivery of banking services are commonly stated as main reason for the delayed adoption of online banking in the SEE region (Arnaboldi and Claeys, 2008). Nevertheless, study by Koutouvalas and Siomkos (2006) revealed that retail banking sector in southern Europe made notable investments in the past years in Web and mobile communication technologies, indicating interest in technology-enabled exchanges with customers. Thus, there is discrepancy in online banking promotion by financial institutions in SEE and its actual adoption by consumers in the region.

Questions emerge whether the old format of online banking communications with customers in the past was the reason for the low level of adoption and usage by customers in the SEE, and whether implementation of new customer-oriented Web 2.0 technologies would be more appropriate for transferring customer relationships in the digital format. Considering socially engaging, interactive, and relationship-oriented principles of Web 2.0 communications, there is a question of how interactive and socially inducing Web 2.0 communications can be leveraged by financial service institutions to promote RM efforts to customers online.

Research in the field of RM and online customer relations in financial services in SEE is relatively limited in volume and scope (Das, 2008). Existing studies attempted to investigate links between e-banking, RM, and bank marketing, but vast volumes of research focused mainly on the case of Greece as most advanced country in the region in terms of the range financial products and the strength of banking institutions (Argyriou *et al*., 2005; Gounaris and Koritos, 2008; Kardaras and Papathanassiou, 2001; Lymperopoulos and Chaniotakis, 2005). Studies ranged from investigating opportunities for e-banking in Greece (Kardaras and Papathanassiou, 2001, Santirudis *et al*, 2009), assessing outlook on RM approach in Greek e-banking (Argyriou *et al*, 2005), measuring acceptance of online bank marketing by Greek bank employees (Lymeropoulos and Chaniotakis, 2005), evaluating investments in information systems in Greek banking (Myrtidis and Weerakkody, 2008), measuring acceptance of e-banking among Greek customers (Gounaris and Koritos, 2008), assessing perceptions of Greek customers on the effectiveness of CRM in banking services (Mylonakis, 2009), and investigating customer retention in Greek banking industry (Blery *et al*, 2009).

Although offering important insights on the scope of online banking and RM approach in banking in Greece, these research studies are not generalizable to the entire SEE region. They do not address banking approaches of other countries in SEE. Moreover, these studies do not address the emergence of new communication format such as Web 2.0 and do not evaluate its relevance to RM approach for the countries in the region. Research that explores differences and similarities of RM approaches in bank marketing strategies across countries of the SEE region would provide valuable knowledge on the scope of implementation of RM in bank marketing practice for this under-researched geographic area. Study investigating the scope for implementing Web 2.0 technologies in RM approaches for banking in the SEE region would provide important insights on the scope for new online marketing and customer management practices by retail banks in SEE.

Finally, research on Web 2.0 implementation in bank marketing and customer management in SEE region would help complete the overall picture of online banking RM practices in Europe. Past research studies on Web 2.0-powered RM in banking predominantly examined the role of electronic media networks in RM for retail banking industries in Western Europe (e.g. Kapoulas *et al*, 2002; O'Loughlin *et al*, 2004). Literature also provided evidence of early attempts to incorporate Web 2.0 communications in RM strategies by US financial institutions through online social communities, blogs, and podcasts as support to traditional RM branch activities (Cocheo, 2009a; Hardey, 2009; Stone, 2009). However, evidence of similar endeavors in SEE is lacking, and there is interest to explore potential existence of similar initiatives in order to compare and contrast Web 2.0 advances in RM among countries, and to identify predispositions for their implementation in SEE region. There is a need to explore potential existence of similar Web 2.0 RM initiatives by financial institutions in the South-Eastern Europe, to compare and contrast the advances in the adoption of these innovative communication technologies in the RM field, and to identify the underlying predispositions and concerns for their implementation in the region.

Chapter 3: Methodology

3.1 Research Questions and Objectives

This work addresses the phenomenon of social media in contemporary bank marketing in the aim to explore, uncover and provide greater understanding of the implications of Web 2.0 technologies and social media in relationship marketing in retail banking. The primary interest of this research is to investigate in depth the role of social media and Web 2.0 marketing communications tools in RM strategies and practices in the retail banking sector. Research addresses this interest in the context of the retail banking sector in the South-East Europe (SEE). The purpose of exploring the subject of relationship marketing and Web 2.0 in the context of SEE is to contribute to the knowledge about retail banking marketing practices of this under-researched region and its challenged retail banking sector, which bears some of the toughest burdens of the financial crisis in Europe.

An important premise of this research is that in order to obtain an in-depth understanding of the role of social media in relationship marketing in retail banking, research must address the phenomenon from the viewpoints of the key stakeholders of the relationship dyad: banks and their customers. Therefore, the premise of this research is that the knowledge about the role of social media in relationship marketing in retail banking is constructed within the experiences and reflections of banking organizations as well as their customers. Hence, research pursues its interest on the subject by posing three key research questions, with each question addressing a distinct aspect of the phenomenon and the realities constructing it. In order to address the question of how the role of social media in marketing strategies is envisioned by the retail banking sector in the SEE region, research firstly aims to provide answers to the following sub-question:

In order to address how the role of social media in marketing strategies is envisioned by the retail banking sector in the SEE region, research firstly aims to investigate the level of uptake of social media among banks in the region. The first key research question that this thesis aims to answer is as follows:

Q1: What is the level and scope of adoption of social media platforms in marketing practices of the retail banking sector in the SEE region?

Answer to this question reports on the level of social media adoption among banks in the SEE region. It provides the context for further discussion about the role of social media in relationship marketing strategies in retail banking. Addressing this question as a part of the research is essential because it enables obtaining understanding of the extent and scope of social media uptake by retail banks in the region. Past studies addressing social media adoption in banking were addressing the subject in the context of other regions in Europe (Bonson and Flores, 2011; EFMA, 2013; Klimis, 2011) and there is a lack of data providing evidence specifically on the issue of social media adoption among banks in the SEE region. Hence, answers to this question aim to close this gap in knowledge, enrich knowledge on the uptake of online communication platforms by the banking sector in the SEE region, and provide insightful input to the discussion on the role of social media in banking.

In order to tackle this research question, the inquiry is broken down into five smaller sub-questions which specify multiple aspects from which social media uptake among SEE banks is explored. Sub-questions accompanying Q1 are as follows:

1.1 What is the rate of social media uptake among banks in the SEE region presently? How did banks' range of social media activities evolve in recent years?

1.2 How did this rate differ across the countries in the region? What are some of the common trends among countries?

1.3 What is the breadth of banks' social media presence across Web 2.0 platforms? What social media sites are the most popular and which platform pairings are the most common among banks in the region?

1.4 Which banks are the most active in social media in the region (i.e. domestic, multinational etc.)? Who are the leaders and laggards in the rate of social media uptake?

1.5 Which banks attract the greatest volume of followers among customer population and through which social media platforms?

These sub-questions provide more detailed account of the nature of knowledge sought in key research question Q1 and the facets of social media uptake among banks investigated. These sub-questions specify the direction in which the research is built and help identify the areas of research focus. By answering these sub-questions, researcher is able to provide a comprehensive answer to Q1.

Furthermore, apart from questioning the level of social media uptake among retail banks in the SEE region, research is interested in the perspective of banking organizations about the phenomenon of social media and its relevance in relationship marketing. In order to investigate this perspective, research addresses retail banking organizations and their managers about their outlooks on the role of social media in relationship marketing in the mass retail segment. More specifically, the following key research question is raised:

Q2: How do retail banking institutions in SEE view the role of Web 2.0 and social media in relationship marketing?

Answers to this question contribute to the understanding of the role that contemporary interactive online media play in the RM strategies of retail banking institutions. The interest is to investigate the assumptions, expectations and challenges retail banking institutions in the SEE region face in regards to social media and relationship marketing. By raising this question, the research explores how retail banking organizations in the SEE region tackle relationship marketing, which type of marketing strategies they employ and how they accommodate the Web 2.0 trend. Moreover, answers to this question provide comparative views to the past research on the online relationship marketing in banking and the role of electronic media networks in bank-consumer relationships (e.g. Carson et al, 2004; Johns and Perrot, 2008; Kapoulas et al, 2002; Liang and Colgate, 2003; O'Loughlin et al, 2004; Proenca et al, 2010).

Q2 is broken down into six smaller sub-questions, which specify in greater detail how the perspective of banks towards social media and relationship marketing is addressed. Sub-questions accompanying Q2 are as follows:

2.1 What assumptions on opportunities and challenges do banks in SEE hold in regards to the role of social media in marketing banking products and services in the retail sector?

2.2. How do banks view the possibility of social media marketing to impact relationships with clients in the retail segment?

2.3 What perceptions do banks have about the level of interest among consumers to utilize social media in relations with banks?

2.4 What are some of the key requirements and the key success factors from the viewpoint of banks for incorporating social media in marketing strategies in practice? What are the key challenges and obstacles?

2.5 How are banks describing their current marketing strategies targeting customers in the retail sector? How is RM accommodated in the practices of banks in the region?

2.6 How do banks envision marketing strategies for the retail sector in the future? What role do online communication technologies play in these predictions?

These sub-questions present in more detail the kind of insights sought by the researcher when embarking on investigation with the interests of Q2 in mind. Sub-questions pertaining to Q2 address both past, current and future marketing practices of the SEE banks in the mass retail sector, as well as how the phenomenon of social media is intertwined in banks' past, current and future marketing strategies and practices. By answering these sub-questions, researcher is able to arrive to comprehensive answers to Q2 and to take into account multiple facets comprising the reality of how retail banks in the SEE region view the role of social media in relationship marketing.

Finally, alongside questions addressing the reality of social media uptake among banks in the SEE region (Q1) and banks' perspective on the significance of social media in relationship marketing (Q2), research also aims to explore the perspectives of bank customers. The third key research question addresses the perspectives of bank customers on the role of social media in relations with banks. The third research question is formulated as follows:

Q3: How do customers of retail banks view the prospect of communicating with their banks via social media, and how would they characterize possible implications of such marketing strategies on their relationships with banks?

Answers to this question provide valuable insights into customer mindset and the perceived role of social media in relations with retail banks. By answering Q3, the research is able to offer in-depth understanding about the attitudes, experiences, preferences, and expectations that constitute customer perspective about the ability of social media to impact the relations with their financial service providers. This enables comparison of customer perspectives with perspectives shared by banking organizations (Q2) and the reality of social media uptake among retail banking organizations in the SEE region (Q1). Therefore, answers to Q3 complete the knowledge about the reality of the role of social media in relationship marketing in the setting of retail banking in the SEE region.

Q3 is accompanied with its own set of sub-questions, which probe in greater detail what constitutes the mindset of bank customers regarding the subject of social media and relations with banks. The following sub-questions pertain to Q3:

3.1 What is the mindset of bank customers about the prospect of utilizing social media in communications with their financial service providers?

3.2 How is consumer's use of social media similar or different in relations with banks, as opposed to the use in relations with other types of companies?

3.3 What constitutes the concept of relationships with companies/brands in social media from the viewpoint of consumers? How do these constructs extend to banks in the digital setting?

3.4 What constitutes the concept of a relationship with a bank from the viewpoint of consumers? How does this concept translate into the Web 2.0 setting?

3.5 What is the value of bank's presence in social media sites from the perspective of consumers? What kind of marketing messages and social media channels are perceived by consumers as the most valuable?

3.6 What are the areas of marketing in which banks could enhance their social media engagement from the perspectives of customers? How could these opportunities be linked to relationship-building?

By answering these sub-questions, research aims to obtain a comprehensive insight into the mindset of bank customers about the role of social media in relations with their banks. These sub-questions address not only customer's attitudes, experiences, expectations and beliefs about Web 2.0-mediated relations with banks, but also the role of social media in relations with other companies, as well as what the concept of organization-consumer relationship stands for in the eyes of customers. By approaching Q3 from these angles, research aims to obtain an in-depth understanding of what social media means for bank customers and how it shapes the reality of modern-day relations with banks.

Based on key research questions Q1, Q2 and Q3, the objectives for this research are defined as follows:

(1) To map out state of social media uptake among banks in the SEE region for the purpose of creating a context for the discussion on the role of social media in RM in this region;
(2) To obtain exploratory and descriptive insights into banks' perspectives on how they envision the role of social media in contemporary RM strategies and what is the outlook for the use of Web 2.0 in RM;
(3) To obtain exploratory insight into customer mindset reflecting opinions, experiences, attitudes and expectations towards the role of social media in relations with banks;
(4) To combine the insights on these perspectives and to abstract theoretical and practical implications for the role of Web 2.0 and social media in RM strategies and practice in the retail banking industry.

By addressing these key research questions, their sub-questions and research objectives, the research hopes to arrive to novel and illuminating knowledge on the role of social media in RM theory and practice in the domain of retail banking. The need for such inquiry was illustrated by Constantinides and Fountain (2008, p. 243): *"How these tools can be efficiently incorporated into the marketing strategy, how they can become sources of additional business value and how to use these as effective instruments of customer acquisition and retention."*

The next section of this chapter explains the approach adopted by this research in order to attend to research questions and objectives.

3.2 Research approach

Research seeks to explore and uncover how RM approach is accommodated in retail banking the context of the era of Web 2.0 communications and social media, and to investigate how the role of social media is constructed in the banking industry in the SEE region. As stated earlier, literature indicated the need for research which addresses the relatedness of these concepts, while the paucity of insights on RM and social media marketing for the banking sector in the SEE region posed as an interesting context for this research. Thus, the key goal of this research is to obtain in-depth understanding of the factors that construct the position of social media in the domain of RM in retail banking, within the reality of financial services industry in the SEE region. Research also aims to explore, identify, understand, describe and conceptualize the constructs pertaining to the question on the role of social media in RM in the retail banking sector.

Considering the exploratory nature of inquiry, research inclines towards the philosophy of interpretivism as the path to follow in the search for knowledge. The rationale behind this choice lies in the ontological, epistemological and methodological assumptions of interpretivist philosophy that highly correlate to the questions and particularities of this research (Carson et al, 2001; Lincoln and Guba, 1985).

First of all, it is postulated that the reality of the role of social media in marketing for the retail banking sector is constructed in the set of perspectives belonging to two distinct relevant entities: banking organizations and their customers in the retail sector. Therefore, research seeks insights into multiple realities and perspectives that shape the complex constructs related to the role of social media in the customer-bank relations in the retail setting. According to Carson et al (2001) and Creswell (2003), this reasoning tightly corresponds to the interpretivist ontology and epistemology, which suggest that the reality is multifaceted rather than singular, and that phenomena are contextually embedded in the understandings, perceptions and opinions of people and entities that compose the researched field. Research assumes that each entity (i.e. customers and banks) has different outlooks on the role of Web 2.0 communications in banking and its future implications, and that by exploring their parallel realities, research is able to arrive to comprehensive and wholesome insights on the phenomena of social media marketing and relationship marketing.

Assumptions about the epistemological premises of the research are reflected in the values guiding this research, in the relationships between the researcher and the subject, in the language implemented by the researcher, and in the nature of theory and technical methodology pursued by this research (Barker et al, 2001; Black, 2006; Carson et al, 2001; Lincoln and Guba, 1985). Interpretive approach is relevant for this research as it permits:

(1) to obtain in-depth understanding of the relatively novel phenomenon of social media in bank marketing and to attend to the particularities of its contextual manifestations;
(2) to extract the value from the versatility of perspectives of several interest groups that co-construct the reality of the phenomenon, namely banks and consumers;
(3) to obtain richness and holism of insights, and
(4) to explore lived experiences, processes, perceptions, and assumptions in the new area of research (Hakim, 1994; Miles and Huberman, 1994).

Additionally, interpretivism is considered especially suitable in the quest for knowledge on the marketing concepts that are yet to be defined in different contexts, or where there is a research paucity regarding the construct of phenomenon in particular industries and regions (Barker et al, 2001; Carson et al, 2001). Such is the case of the phenomenon of social media in the context of RM and in the reality of retail banking in SEE region. As argued by Weick (1989), research in rapidly evolving marketing phenomena demands *"imaginative"* approach to theory building. The inductive stance of the interpretivist philosophy posed as fertile soil for new theorizations to be conceived.

Research aims to discover previously unknown variables pertaining to the use of social media in banking, to provide in-depth understanding of the underlying factors shaping the phenomenon, and to describe the particularities of the social media phenomenon in relationship marketing in the context of the retail banking sector in the SEE region. Therefore, it takes exploratory and interpretive stance when seeking the answers on the subject of interest (Creswell, 2006).

Following its exploratory aspirations, research was conducted under the qualitative approach (Carson et al, 2001). According to Vaismoradi et al (2013): *"A belief in multiple realities, a commitment to identifying an approach to in-depth understanding of the phenomena, a commitment to participants' viewpoints, conducting inquiries with the minimum disruption to the natural context of the phenomenon, and reporting findings in a literary style rich in participant commentaries are the main characteristics of qualitative methodologies"* (p. 398). Qualitative methodology and the interpretive stance allow approaching the phenomenon of social media in banking with respect for researcher's pursuit for genuine, original and in-depth understanding of the underlying concepts (Carson et al., 2001; Hanson and Grimmer, 2007). As noted by Gummesson (2005), in marketing *"data are mostly hard to find, hard to define, and they are incomplete"* (p. 311), and the answers do not always lay in pursuit of growing volumes of data, but rather in their exploratory and descriptive powers.

With this in mind, the qualitative research approach was considered especially suitable for this research, as it allowed *"deeper understanding of phenomena"* and *"to produce insight rather than measure, to explore rather than pin-down"* the themes, constructs and theorizations that comprise the concept of social media in banking (Carson et al, 2001; Hanson and Grimmer, 2007; Miles and Huberman, 1994). Furthermore, the qualitative research approach was especially suitable for this study considering its ability to enable the *"exploration of experiences"* and to contribute to the *"development of meaning"* (Hanson and Grimmer, 2007, p. 65). Qualitative research is *"a conscious search for meaning and understanding"* (Gummesson, 2005, p. 311) and a quest for in-depth comprehension and awareness of the problems and phenomena (De Ruyter and Scholl, 1998). It is essentially of *"diagnostic exploratory"* character. The unrestricted inquisitiveness towards the unfamiliar is what rendered the choice of the qualitative approach fitted for this research, as it permits to contribute to the development of new conceptualizations pertaining to the relatively novel phenomenon in marketing such as the social media (De Ruyter and Scholl, 1998, p. 8).

The choice of the qualitative approach was supported by the evidence from the relevant past studies, which incorporated inductive and evocative methods for identifying previously unknown concepts in the RM practice in the context of financial services industry and online marketing (Argyriou et al., 2005; Durkin et al, 2007; Heinonen, 2006; Hughes et al., 2007; Hurley et al, 2014; Kapoulas et al., 2002; O'Loughlin et al., 2004; Walsh et al., 2004). Common rationale for employing the qualitative methodology in these studies included the desire to explore phenomena of RM, e-banking and online communications in depth and to enable constructive reflection on the particularities of different contexts (Kapoulas et al, 2002; Kapoulas et al, 2004; Lahteenmaki and Natti, 2013; O'Loughlin et al, 2004; Stone, 2009).

Qualitative approach is considered to be desirable in the field of RM, especially when exploring the customer perspective on the relationships with financial institutions in different geographic contexts (Brun et al, 2014; Kapoulas et al, 2004; Varey, 2003). This is tightly corresponding to the interests of the present research, which wishes to explore how the phenomenon of social media is accommodated in the RM in the context of the banking industry in the SEE region. Moreover, as highlighted by Brun et al (2014): *"Given the scant theoretical understanding of e-relationship marketing, we consider a qualitative introspective approach appropriate.[...]The approach is relevant for examining human behavior and whenever the researcher's aim is to uncover new variables and relationships"* (p. 49).

3.3 Research Design

As explained earlier, the premise of this research is that the phenomenon under investigation is constructed in the realities of two distinct entities comprising the customer-bank dyad. In order to obtain a comprehensive and in-depth understanding of how social media is perceived by each entity in the banking relationships, research needs to incorporate studies and methods that address the reality of each entity. Based on this rationale, research takes the inductive stance and incorporates multiple qualitative research methods in order to address the multiple realities constructing the phenomenon (Patton, 2002; Silverman, 2004).

The multi-method design provides several distinctive benefits for this research. Firstly, it enables to explore the role of social media in banking relations in the retail sector from the perspectives of different relationship stakeholders (the customers and the banks). Secondly, the multi-method design enables to obtain a versatility of outlooks on the importance of social media in contemporary bank marketing and to extract theorizations from these perspectives (Patton, 2002;

Silverman, 2004). Finally, multi-method design employing several qualitative methods for the conduct of research allows for the methodological triangulation, as the construct for validating studies employing the qualitative approach (Guion et al, 2011). Such choice of the design ensures in-depth understanding of the examined phenomena through a deliberate exploration of concepts and themes, utilizing different instruments and research tactics (Guion et al, 2011). By employing versatile multiple qualitative methods, the research benefits from the triangulation and gradual building of the theoretical implications (Carson et al, 2001; Creswell, 2006). Furthermore, as justified by Denzin and Lincoln (2005, p. 5): *"The combination of multiple methodological practices, empirical materials, perspectives, and observers in a single study is best understood, then, as a strategy that adds rigor, breadth, complexity, richness, and depth to any inquiry"*.

Research was designed to contain three distinct parts, with each part addressing a particular research question and a distinct perspective on the phenomenon under investigation. Figure 2 illustrates the multi-method design, how research questions and objectives shape the typology of each study and how the studies are interrelated.

The Observation Study was designed to address the question of the level and scope of the social media adoption among banks in the SEE region. The goal of this study was to provide the necessary background knowledge on the state of social media uptake among the retail banks in the SEE countries. This study was designed as a longitudinal observation research examining the presence of retail banks in popular social media sites, and analyzing the progression of the social media adoption trend across banks and countries in the region over the period of 3 years. Insights on the level and scope of social media uptake by the retail banking industry in the region provided context for the discussion of the findings of this research, which could not be obtained from the literature.

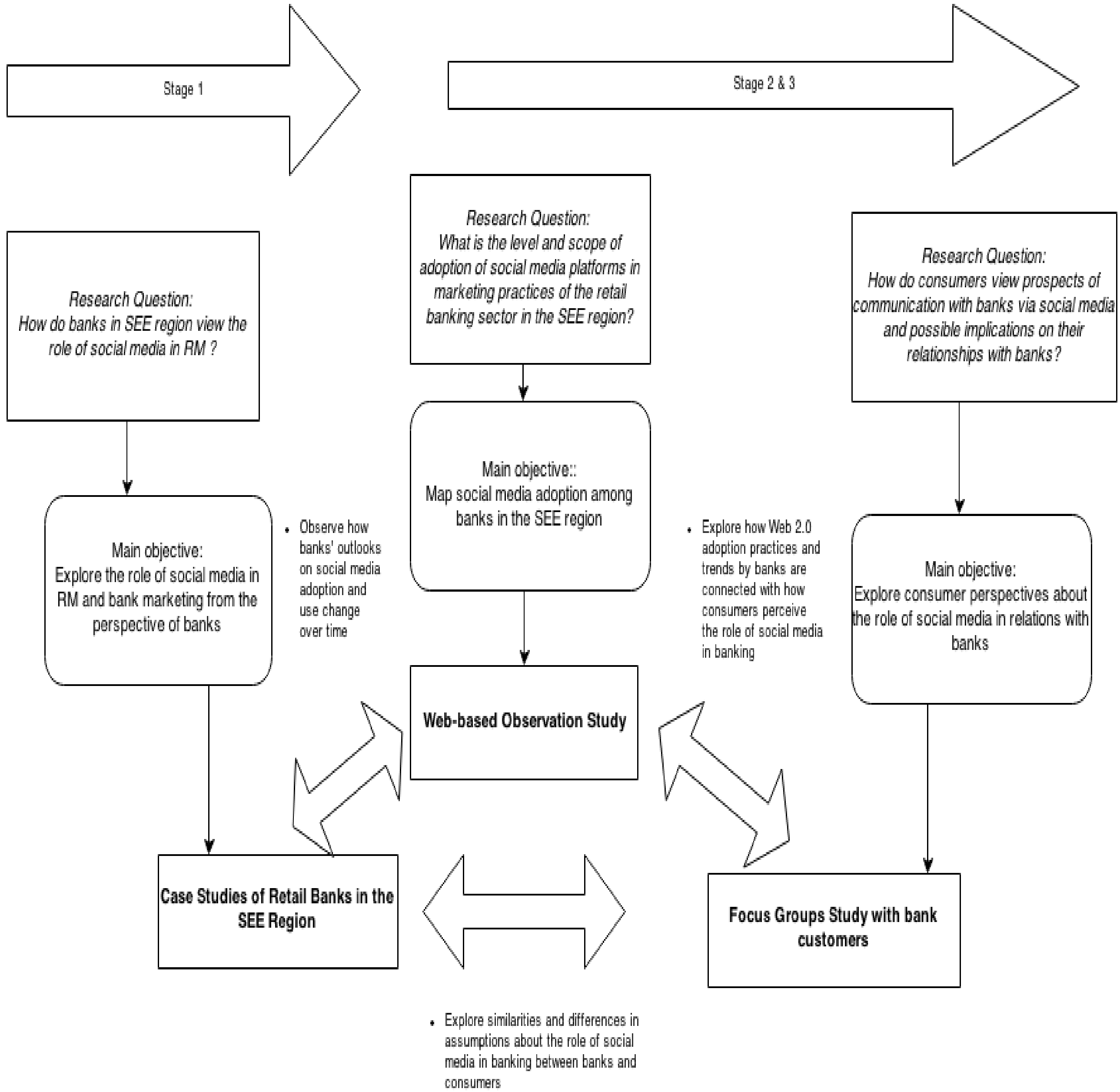


Figure 2: Research design using multiple qualitative methods to address multifaceted reality.

The Case Studies were designed to address how retail banking organizations in the SEE region envision the role of social media in their marketing strategies and in their exchanges with clients in the retail segment. The goal of this study was to investigate the perspectives of banks on the importance of social media for their marketing strategies in the retail segment and the possible relevance to the relationship marketing initiatives. The design employed the qualitative methodology of multiple case studies, addressing the marketing rationale, strategies and practices of the specifically selected retail banking organizations from the SEE region. Insights from this study allowed obtaining in-depth understanding of the rationale of the particular banks to adopt or abstain from the uptake of social media and the Web 2.0 tools in their marketing programs. Theoretical extensions to the knowledge on the role of social media in bank marketing and RM in the retail banking sector were built from the insights illustrating how and why banks in the SEE region adopt social media, as well as why some banking organizations resist the trend. These insights help construct the extensions to the current knowledge on social media in banking, help identify previously unforeseen concepts on the subject, and help uncover underlying ties between the concepts. Insights from this portion of research provided valuable contribution to understanding the underlying premises of the adoption and non-adoption of social media in bank marketing, and the relatedness of the social media phenomenon to the RM theory and practice.

The Focus Groups study was designed to explore how customers in the retail banking segment perceived the role of social media in their interactions with the banks. The goal of this study was to explore the consumer perspective on the premise of social media as mediating force in the relations with financial service providers. This portion of research employed qualitative method of focus group discussions with the bank customers, who are dedicated social media users. The insights from this study provided rich, constructive, and highly insightful customer narrative on the particularities of the relations with banks, and the role of social media in these relations. The insights from this portion of the research provided valuable consumer outlook on the premises of the value from the implementation of social media in banking.

A similar collection of the multiple qualitative research methods combining case studies, interviews and focus groups was incorporated in the past studies tackling issues of the RM and the online banking services (Kapoulas et al, 2002; Kapoulas et al, 2004; O'Loughlin et al, 2004; Stone, 2009). This provides support to the research design and the methods selection, and increases the likelihood of successfully achieving the outlined research objectives.

The collective insights from these three studies enabled understanding of the multiple perspectives on the role and the importance of social media for the relationship marketing in the retail banking setting. The combined insights from these studies comprised the final theorizations on the role of social media and the scope for its implementation in the RM strategies in the retail banking sector. The following sections describe in detail the methods pertaining to each study.

3.4 Observation Study

3.4.1 Purpose & Objectives of the study

This study aims to answer research question Q1 and its sub-questions:

Q1: What is the level and scope of adoption of social media platforms in marketing practices of the retail banking sector in the SEE region?

1.1 What is the rate of social media uptake among banks in the SEE region presently? How did banks' range of social media activities evolve throughout recent years?

1.2 How did this rate differ across the countries in the region? What are some of the common trends among countries?

1.3 What is the breadth of banks' social media presence across Web 2.0 platforms? What social media sites are the most popular and which platform pairings are the most common among banks in the region?

1.4 Which banks are the most active in social media in the region (i.e. domestic, multinational etc.)? Who are the leaders and laggards in the rate of social media uptake?

1.5 Which banks attract the greatest volume of followers among customer population and through which social media platforms?

This study illustrates the state of social media uptake among retail banks in the SEE region. It provides the context to the discussion on the managerial and customer outlooks on the importance of social media for the RM in banking. It complements the studies on the managerial and consumer perspectives (which are also the part of this research) by providing a detailed illustration on whether and how banks in the SEE countries utilize social media.

As stated earlier in the text, the literature with the precise accounts on the level and rates of the uptake of social media among banks in the SEE region is scarce, and therefore the aim of this study is to fulfill this gap in the knowledge.

This study was designed as a longitudinal observation examining the presence of the banks in the SEE countries in the popular social media sites during the period from 2012 to 2014.

The design of the study entailed the collection of evidence of banks' presence in social media sites and the collection of data on the scope of banks' online activities in Web 2.0 platforms in the recent years. The study entailed the analysis of this data in order to map the progress of the social media uptake in the banking sector in the region. Data collection and analysis were performed over three time series and the level of social media uptake was identified and monitored for 141 banks, with the total of 2,091 observations made from the mid-2012 to the early-2014. The next sections explain in greater detail the steps and processes pertaining to this study and how the observations were planned, executed and transformed into knowledge.

3.4.2 Sample

3.4.2.1 Geographic boundaries

The aim of this research is to explore the role of social media in the bank marketing in the SEE region. The region of the SEE is a subject of various definitions in terms of its geographical boundaries, which include anywhere from 10 to 18 countries, depending on the context (economic, political, cultural or historical). The countries most commonly included under this abbreviation are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the former Yugoslav Republic of Macedonia (FYROM), Greece, Hungary, Moldova, Montenegro, Serbia, Slovakia, Slovenia, and Romania (with Austria, Italy, Cyprus, Kosovo, Ukraine and Turkey occasionally also referred as the part of the SEE region by some EU bodies and programs) (European Commission, 2007).

One of the first decisions pertaining to identifying the sample of banks for the longitudinal observation was determining the geographical boundaries of the study. For the purposes of this research the study opted to limit its scope within the boundaries of 6 countries of the SEE region: Albania, Bulgaria, FYROM, Greece, Romania and Serbia. The reasons for confining the bank sample within the parameters of these countries were strategic.

Firstly, this study was designed as a part of a larger research on the role of social media in bank marketing (which entails a total of three studies with different populations: study examining banks' social media pages, study examining managerial perspectives of banks' decision makers and study examining perspectives of banks' customers). Following the outlines of the research design, the purpose of this study was to complement other studies and to corroborate their findings. Thus, a common framework in terms of geographical boundaries had to be established for all three studies in order to enable coherence and reflection of the findings.

Researcher anticipated to have a limited access to the population of banks and bank customers for the purposes of case studies and focus groups. The access to the population of banks and the population of bank customers extended to the countries of Albania, Bulgaria, FYROM, Greece, Romania and Serbia. Thus, the confines of the sample accessibility of other studies were projected to this study as well, and conscious decision was made to limit the scope of the study to the geographic region of the six aforementioned countries in order to establish common geographic grounds for the research as a whole.

Nevertheless, the choice of the countries selected as the focus of this study included nations identified in the related literature as interesting cases for the research in banking (Anayiotos et al 2010; Andries and Capraru, 2014; Badulescu and Nicolae, 2010; Klimis, 2011). Similar strategy was observed in the study by Fang et al (2011), who chose to asses the banking efficiency in the SEE by focusing on six countries, rather than the whole region: Albania, Bulgaria, Croatia, FYROM, Romania and Serbia. Thus, the choice was validated also by the literature.

Secondly, although these geographic confinements notably condensed the size of the banking sector investigated, the composition of the sample was deemed still interesting for the purposes of this research. Countries in the sample included EU-member states (Greece, Bulgaria, Romania), as well as non-EU countries and EU candidates (Albania, Serbia, FYROM), thus providing a healthy mix of examples of the banking realities in the region and an interesting field for exploration of various bank marketing practices.

Thirdly, this selection of countries was interesting as the banking sector in these countries was tightly interconnected through cross-country presence of large regional and European financial institutions. Many of the large Greek banks (e.g. Piraeus, Alpha Bank, Eurobank) have presence across Albania, Bulgaria, FYROM, Serbia and Romania, thus making observations of the differences and similarities in their marketing practices across these countries interesting. Similarly, European banking groups such as Societe Generale, Credit Agricole, Raiffeisen Bank, OTP etc also had prominent presence in retail banking activities spanning across six countries in the sample. This contributed further to the interest in observing the contrasts and trends in the social media adoption practices across the region.

Thus, these constraints and interests determined the geographic focus of the study. For the ease of readability, however, the "SEE region" as a term is preserved in the remainder of the text, with a note that it refers to the six countries used as the basis of the sample (Albania, Bulgaria, FYROM, Greece, Romania and Serbia).

3.4.2.2 Bank selection criteria

The interest of this research centers on the industry of retail banking. Therefore, one of the first sampling decisions was to identify the retail banking institutions in the SEE region. The first step in this process involved consulting the official websites of the Central Banks of the countries in the sample and obtaining listings of all registered financial banking institutions operating in each respective country. The original list contained 156 banks in total.

The list of banks for each country was refined to exclude banks servicing exclusively corporate clients, as well as banks with presence in the region via representative offices which do not provide services to the mass markets (e.g. ING Bulgaria, Royal Bank of Scotland Romania, Citibank Romania etc.). In order to perform this refinement, researcher visited the official website of each bank on the original list and checked for the evidence of whether bank offered the services to the retail customer segment (e.g. search for terms such as "retail", "individual", "mass", and "physical person", which indicated retail banking services). ("English" language option embedded in the website and Google Translate online service were used to translate the content of the websites in English, in order to ensure comprehension of the content and correct identification of the bank type.) This initial step helped filter out the sample and identify the banks of interest for the purposes of this research. As a result, 141 banks were identified as the sample for this study (please see Appendix A for the detailed listing of the banks in the sample).

This step was necessary, as the title of the bank alone oftentimes did not denote the typology of the organization and the scope of its services. It is important to note that, although several banks in the sample contained the terms "corporate" and "investment" in their titles (e.g. Corporate Commercial Bank, Investbank etc.), there was evidence that within the scope of their operations these banks provided also services to the mass consumer segment. Hence, they were included in the sample. Several authors have noted that some universal typology-related terms such as "universal bank" or "commercial bank" might bear different connotations in different countries due to variations in the banking legislative terms and regulations (Andries and Capraru, 2014; Badulescu and Nicolae 2010). Thus, the screening was necessary in order to make sure that the sample contained all types of banks offering retail services. A bank was included in the sample as long as it provided services to the mass customer segment in the retail sector. Purely internet banks were also included in the sample under the same provisions (e.g. WIN bank Greece and Libra Bank Romania).

The total sample of retail banks included in the first round of observations in mid-2012 was 141: 17 in Albania; 25 in Bulgaria; 16 in FYROM; 20 in Greece; 30 in Romania; 33 in Serbia. This was deemed as a sufficient sample size for the observation study. In comparison, the web-based research by Klimis (2011) on the digital communication practices among European retail banks, contained the sample of 88 banks in total to represent three European regions: Western Europe (46 banks), Central and Eastern Europe (25 banks) and Russia (17 banks). Thus, in comparison, observation study presented here was designed to offer a more concentrated and dense coverage of the social media adoption tendencies among the banks in the SEE region.

The second and third rounds of observations conducted in early 2013 and 2014 included the adjusted number of banks in the sample, in order to reflect the dynamic changes occurring in the banking sector due to the wave of mergers and acquisitions, foreclosures and new entries in the market. Similar strategy was also followed by Fang et al (2011), who allowed for *"failures, mergers and de novo entry of banks"* (p.

502) to be reflected in the sample in their study on the bank efficiency in the SEE region for the 1998-2008 period. Thus, in 2013 the sample was adjusted to include 137 retail banks: 17 in Albania, 25 in Bulgaria, 15 in FYROM, 18 in Greece, 30 in Romania, and 32 in Serbia. Furthermore, following turbulent changes in the retail banking market in Greece in 2013, the sample in early 2014 was also adjusted and consisted of 127 banks: 16 in Albania; 25 in Bulgaria; 15 in FYROM; 11 in Greece; 30 in Romania; 30 in Serbia. The timeline of the exits and mergers of banks is provided in the Appendix A to illustrate these changes in the market.

3.4.3 Data Collection

For this study the data collection consisted of recording the evidence and observations of banks' presence in the social media channels in three periods from mid-2012 to early-2014. Data was collected and analyzed in June 2012, January 2013 and January 2014. This allowed for 6-12 month intervals between the rounds of data collection, which was sufficient in order to capture the dynamic changes occurring in the composition of the banking market, as well as in the progress of the social media adoption among banks.

Several steps were performed in collecting and recording data for the subsequent processing and analysis. Figure 3 summarizes the steps undertaken in data collection.

Step 1 (identification of banks' social media pages) and Step 2 (gathering observations about banks' social media pages) were performed sequentially, and the sequence was repeated in each round of the data collection (in each of the three time series). This was necessary in order to ensure that the changes and the latest developments in the uptake of social media among banks were captured and recorded over time. By repeating Step 1 in each data collection sequence, it was possible to identify the new entries to social media, the expansions in the social media coverage across multiple sites, as well as the exits from social media. By repeating Step 2 in each data collection period, it was possible to capture changes such as the growth in the numbers of followers of banks across social media sites, the endorsements of social media initiatives on banks' corporate websites, as well as the emerging trends in the breadth and the timing of social media adoption among banks. The data was gathered and analyzed upon completion of each sequence. The details of the data collection are described further in the next sub-sections.

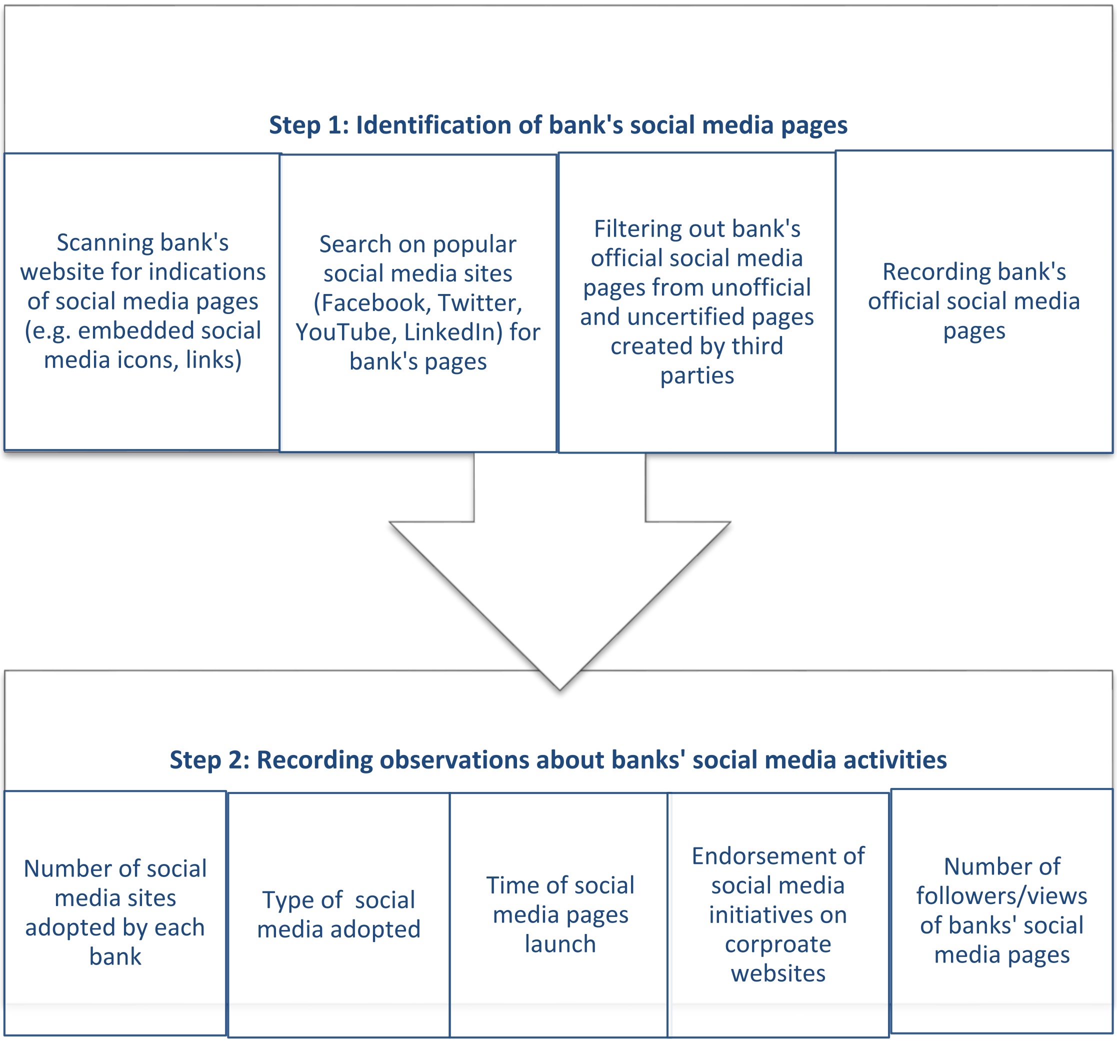


Figure 3: Data collection processes in social media uptake observation study.

3.4.3.1 Step 1: Identification of banks' social media presence

Data collection commenced with the actions to identify banks with the presence in social media. Firstly, the website of each bank in the sample was visited and the content of the website was scanned for the indication of the social media uptake. The indicators of bank's established presence in social media were the social media icons embedded on the bank's website (e.g. universal icons such as letters "f" and "t" denoting profiles in Facebook and Twitter, "in" for LinkedIn etc) or the sub-headings in the website's menu, with a title corresponding to a social media site. The websites of banks were browsed for the presence of such indicators on all pages normally visited by consumers: bank's "home" page, pages dedicated to the retail services, the “contact” page, and marketing and PR pages. Website content was automatically translated in English using the embedded language button on the website or using Google Translate service, in order to make the content of the website comprehensive to the researcher.

Once the indicators were identified, they were clicked on in order to be automatically transferred to the bank’s corresponding official page in social media for the subsequent data collection. The record of bank’s name, together with the link of its social media pages, was recorded in the Microsoft Excel sheets for further processing and analysis. The record contained the names of the banks classified in six country-based groups. The data sheet for each country contained the list of the banks, alongside with the evidence of bank’s activity in social media sites (hyperlinks leading to bank’s corresponding social media pages, organized in columns according to the platforms: Facebook, Twitter, YouTube, LinkedIn etc.). Thus, the preliminary classification of data was performed as the data was collected. Banks without social media presence were also included in the records (albeit without hyperlinks to social media), and this data was also used in the analysis and contributed to an important part of the findings about non-adopters.

During data collection it was observed that many banks did not embed the social media icons or hyperlinks to their websites (especially in the first round of the data collection in 2012). Additional search was done in Google Search as well as in “search” functions of the popular social media platforms such as Facebook, Twitter, YouTube, LinkedIn and GooglePlus with bank’s name in order to identify possible presence in social media. This method enabled identification of a bank’s social media activities, which were otherwise not endorsed on the bank’s official website. This helped substantially in identifying active but undisclosed social media pages of the banks (especially in the first round of data collection), which would have otherwise be unrecorded, and whose absence in the records would have significantly altered the findings of this study. Records were made on whether a bank endorsed its social media pages on its corporate website, and this served as an additional unit of data for the subsequent analysis. This practice was performed in all three rounds of data collection (in 2012, 2013 and 2014) in order to ensure uniformity in the data collection across time series.

One of the problems encountered during the identification of banks' social media pages, was the problem of unofficial social media pages imposing as the pages of banks. While icons and hyperlinks embedded on banks' websites lead to the verified official social media pages, the search in social media and Google Search often produced results with multiple pages attributed to the bank (i.e. carrying bank's name) but not always verified by the bank. These often included examples such as: Facebook pages and groups created for and by former employees; Twitter and LinkedIn pages with bank's name but no content; YouTube channels carrying bank's name but with videos not related to the bank (e.g. music videos).

To tackle this problem, criteria were imposed to identify social media pages suitable to be included in the data collection and analysis. The following types of pages were excluded from the study:

- pages not containing the word "official" or "certified" in the "about" section;
- pages with no official logo of the bank, no information and no contact details related to the bank;
- "group" and "profile" types of pages created by individuals or stakeholders using the name of the bank, but not representing the official authorized entity of the bank (e.g. individual's personal profile pages, employee group pages, "hate" pages created to mock the organization etc.) (Article by Singh (2014) describes the distinctions among these types of pages in detail).

This allowed to ensure only material produced by the banks was recorded and used as the unit of analysis. The unofficial pages of banks in social media were not of interest to this study, as they were created independently by third parties without the authorization by banks, and hence were not considered to be a reliable source of information. Cross-checks with the banks' websites were reviewed in each round of the data collection in order to identify whether the pages were endorsed by the banks and to ensure the data was reliable and up to date (e.g. whether a bank added a social media icon on its website leading to its pre-existing social media page or new pages etc.).

In some cases multiple pages of a bank for a particular social media platform were discovered (e.g. several official Facebook pages or Twitter accounts), each designed for a different purpose (e.g. one bank could have one Facebook page for communication with general population, another Facebook page for its CSR initiatives, and one more Facebook page particularly for its student customer segment). In such cases the evidence of all official social media pages was recorded, as it contained important insights about the scope of banks' social media engagement.

3.4.3.2 Step 2: Recording observations about banks' social media activities

Once banks' social media pages were identified, the observations about banks' social media activities were recorded as the evidence for further analysis. The observations were recorded in three distinct time periods: in June 2012, in January 2013 and in January 2014. Therefore, each bank had three sets of observations, corresponding to each time series. This allowed monitoring changes that have occurred over the three-year period and observing the dynamics of the social media uptake among banks and countries.

In total 2,091 observations were recorded in 3 rounds of data collection and were used for the subsequent analysis. The types of data collected and used as the units of analysis are summarized in Table 4, with an example illustrating the information gathered about one of the banks in the sample. Such portfolio of data was collected for each bank in the sample (141 banks in 2012, 137 banks 2013 and 127 banks in 2014). All observations were recorded in Microsoft Excel files in order to facilitate the organization, retrieval and analysis of the data.

Table 4: Summary of the type of data collected in the observation study.

Type of data	*Example:* Banca Transilvania (Romania)		
	June 2012	*January 2013*	*January 2014*
number of social media pages for each bank	6	6	7
type of social media page for each bank	Facebook, Twitter, YouTube, LinkedIn, GooglePlus, apps	Facebook, Twitter, YouTube, LinkedIn, GooglePlus, apps	Facebook, Twitter, YouTube, LinkedIn, GooglePlus, apps, Pinterest
number of pages for each social media site for each active bank	Facebook (1), Twitter (1), YouTube (1), LinkedIn (1), GooglePlus (1), apps (2)	Facebook (1), Twitter (1), YouTube (1), LinkedIn (1), GooglePlus (1), apps (2)	Facebook (1), Twitter (1), YouTube (1), LinkedIn (1), GooglePlus (1), apps (2), Pinterest (1)
presence/absence of social media icon on bank's website	Facebook icon, Twitter icon; apps icons; no icons for other social media pages	Facebook icon, Twitter icon; apps icons; no icons for other social media pages	Facebook icon, Twitter icon, LinkedIn icon; apps icons; Pinterest icon; No icons for YouTube and Google Plus
date of social media	Facebook: May 2011	*(same as in 2012)*	*(same as in 2012)*

launch *(only for Facebook, Twitter and YouTube)*	Twitter: February 2010 YouTube: October 2008		
number of followers *(only for Facebook, Twitter and YouTube)*	Facebook: 50,696 Twitter: 333 YouTube: 55,836	Facebook: 132,447 Twitter: 425 YouTube: 63,875	Facebook: 278,177 Twitter: 579 YouTube: 978,611

The data on the time of the launch of banks' social media pages and the number of the followers attracted was gathered only for Facebook, Twitter and YouTube. These platforms were chosen due to their widespread popularity among banks and due to being the most commonly utilized modes of social media adoption among the banks in the region. In contrast, the adoption of other platforms such as LinkedIn, Google Plus, Flickr, Pinterest etc was significantly rarer among banks (especially in the early rounds of data collection), and hence did not yield the sufficient information for substantial comparative analysis across banks, countries and time series.

Furthermore, it is important to add that the observations about the followers included the following units of data: page "likes" for Facebook, "followers" for Twitter and "total views" for YouTube. These were considered as appropriate indicators of the online population who initiated interaction with banks in social media. In the case of YouTube, the "total views" were preferred metric over the number of "subscribers" to banks' channels, due to the fact that subscriptions to banks' YouTube channels were sparse (i.e. majority of banks had zero or a few subscribers in double-digits). This was a common trend among banks globally. Reports by The Financial Brand on the *"Top 100 most watched bank YouTube channels"* highlighted the dramatic discrepancy between the small number of subscriptions to banks' YouTube channels versus the high total views of the banks' YouTube content (The Financial Brand, 2013; 2014). Therefore, the "total views" were considered more appropriate, as this metric indicated the total number of times banking content was actually viewed by the online audiences.

The number of followers/views was deemed as a suitable indicator of the performance of bank's social media page for the purposes of this study, as it reflected the scope for attracting consumers to connect with the bank in social media and the popularity of bank's pages with the online population. It should be acknowledged that the number of followers alone is not a definitive performance predictor of the bank's social media initiatives. In-depth examination of the audience responsiveness to the bank's content through analysis of the comments, "likes", "re-tweets" and "mentions" would have provided more accurate insights on the performance (Agichtein et al 2008; Murdough, 2009). However, due to the large sample of the banks in the study, such in-depth analysis of multiple performance indices for each social media page of each bank in the sample was deemed excessive, as the main objective of the study was to map the rate of social media adoption among banks in the region, rather than to investigate the dynamics of the virtual communities. For the purposes of this exploratory study, the number of followers/views was adequate for identifying which banks in each country in the sample attracted the most attention in social media.

The observations were gathered anew in each round of the data collection in order to observe the changes in the dynamics of the social media adoption, and to make sure the new developments were recorded (e.g. the launch of new or additional social media pages, the addition of the social media icons on a bank's website, the change in the number of followers in the social media pages etc). The number of observations for each country varied in each time series, as it reflected the changes in the composition of the banking market (new market entrants, exits or mergers) and the dynamics of social media uptake (new social media sites adopted, growth in social media followers etc). The breakdown of the number of observations made for each country in each year of the time series is summarized in Table 5.

Table 5: Number of observations recorded during data collection 2012-2014.

Country	Observations on the rates of social media uptake			Observations on whether banks endorsed SM on their websites			Observations on the time of launch of each SM page for each bank with adoption			Observations on the number of followers of all SM active banks in all of their channels			Total number of observations per country		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Albania	25	28	35	17	17	16	16	6	6	16	22	28	74	73	91
Bulgaria	46	49	56	25	25	25	27	13	10	27	37	44	125	124	141
FYROM	20	20	20	16	15	15	12	4	2	12	14	15	60	53	58
Greece	37	33	28	20	18	11	23	6	9	23	21	12	103	78	66
Romania	56	70	84	30	30	30	39	14	10	39	49	59	164	163	189
Serbia	61	72	85	33	32	30	39	14	16	39	49	53	172	167	190
Total													698	658	735
														2091	

3.4.4 Data Analysis

As previously mentioned, all data were recorded into Microsoft Excel files. This enabled the ease of data storage, retrieval as well as the analysis. As data was collected, it was simultaneously grouped and classified by years, countries, social media sites and individual banks. This ongoing grouping of data during the collection processes significantly eased the tasks of further data classification and processing.

The analysis for this study was largely based on the basic descriptive statistics in order to identify the main trends in social media adoption and to summarize the common tendencies among the banks and the countries. The interest was primarily in the frequency distribution of the certain forms of social media adoption among banks (i.e. no adoption, adoption of only one social media site, adoption of two social media sites, adoption of three social media sites and adoption of four or more social media sites) and the frequencies of adoption of particular social media sites and the combinations of sites (e.g. how many banks have adopted Facebook? was Facebook adoption part of one-site, two-site, three-site or four-or-more-site strategy? etc). For the purposes of determining the rates of social media uptake by banks across countries, banks were classified according to the number of social media sites adopted, the types of the sites adopted, and the occurrences in each category were calculated. The analysis was done on the country-by-country basis in order to allow for comparisons and to observe the trends across the sample of countries.

Furthermore, the analysis was also performed on the frequency distributions of the rates of social media adoption across different types of banks in the region (i.e. domestic banks, multinational banks). Banks were classified into categories based on their origins: domestic banks with only local scope of operations, banks belonging to the financial groups originating from the SEE region (e.g. Alpha Bank, Piraeus Bank etc), banks belonging to European financial groups (e.g. Raiffeisen Bank, Societe Generale etc.) and banks belonging to the global financial networks (e.g. Citibank). Information gathered from banks' corporate websites was used in order to identify the origins of each bank and to classify banks into the groups. The data was then sorted according to the groups, and the distributions of the different rates of social media adoption across groups were calculated.

The final portion of the analysis involved identifying banks with the highest number of followers across three social media platforms: Facebook, Twitter and YouTube ,and the analysis of the rates of endorsement of social media initiatives by banks on their official websites. Data with the number of followers for each bank in each of the three social media sites was sorted according to the values gathered in 2014, and top three banks with the highest values were identified. This portion of the analysis focused on the numbers of followers recorded in 2014 due to the fact that some banks with the leading volumes of followers did not have an established presence in social media in mid-2012 or early-2013, but despite relatively short history of activities managed to gather a substantial following.

Finally, the analysis of the endorsement of social media initiatives on banks' official websites was performed by grouping the banks into categories with and without social media icons on the websites, and calculating the rates in each category, for each country and for each of the three platforms from the total sample. The rates in each time series were further compared in order to identify the trends and the growth in the tendencies to endorse social media initiatives on websites.

Descriptive statistical analysis functions of Microsoft Excel were used for the purposes of the analysis, as they provided sufficient functionality for calculating the descriptions and summaries of the gathered data (Levine et al, 2008). The purpose of this study was to map the breadth of social media uptake among banks in the SEE region by providing basic descriptions of the distribution of the various forms and rates of social media adoption across banks and countries. Since the scope of this study did not extend beyond the aim to provide the basic insights into the rates of social media uptake among banks, this form of analysis was sufficient. The study did not postulate prior hypotheses about the social media adoption and did not aim to make predictions about the social media uptake among the larger, general population of banks. Hence, inferential statistical analysis was not employed (Moore, 2010; Frankfort-Nachmias and Leon-Guerrero, 2006). Instead, descriptive analysis was performed in order to identify the trends and to map how social media uptake among banks evolved across time.

Microsoft Excel was also used to create charts and graphs illustrating the distributions of various rates and forms of the social media uptake among banks and across countries. This created a visual illustration of the trends and patterns among banks and countries, and provided convenient presentation of the findings for comparison across time series (Levine et al, 2008).

3.4.5 Limitations of the design of this study

It is important to highlight that although this study collected and analyzed data about social media adoption among banks, it was primarily designed and executed as an observational study rather than a netnography.

The distinction lies in the fact that for the purposes of this study, data describing the numerous typologies of the content on social media pages or on the dynamics of the communications among the members of the virtual communities (i.e. replies, comments, “likes” and “dislikes”, “re-tweets”, “mentions” etc) was not gathered and analyzed (Boyd et al 2010; Kozinets 2009; Park and Kim, 2014). Moreover, researcher did not engage in the conversation with the community of banks’ followers in social media in order to immerse herself in the community and to experience it firsthand “from within”, which is another characteristic of the netnography (Kozinets 2009; Croft, 2013).

Analyzing the content in social media pages posted by banks and the dynamics of interactions with followers would have introduced another dimension to this study and possibly could have attributed to a more in-depth understanding of the character of the social media activities by banks. However, certain limitations posed as obstructions to the execution of this idea in practice. One of the main challenges posing as the limitation for performing such in-depth analysis was the challenge of collecting and processing the content from social media pages published in multiple languages, corresponding to the 6 different countries in the sample. Analysis of the content in social media and the interactions between banks and their followers in social media platforms would entail the need to translate the content of over 100 banks in multiple social media in 6 different languages in English for the purposes of processing and content analysis. While automated Google Translate service was utilized in this study to identify banks in the sample and to identify the official social media pages of the banks, for the purposes of netnography or content analysis study more sophisticated language translation tool would have been required in order to capture the semantic nuances in the online exchanges.

Due to the limited language interpretation resources, the researcher decided to limit this study to the observations on the levels and the rates of the social media uptake. The endeavor of mapping the social media adoption among banks in the SEE and observing its progression in the last three years was chosen as the contribution of this study. However, future research endeavors in the domain in social media marketing in banking (in the SEE region and beyond) are recommended to expand on the limitations of this study and to use the findings as a starting point in the research on the nature of exchanges occurring between banks and their followers on social media.

Finally, as explained earlier in the text, the study was focused on only 6 countries of the region, due to the need to synchronize geographic boundaries with other studies of this research. This presents a limitation to the extent to which findings from this study could be generalized to the region as a whole or to the state of the social media adoption in broader Europe. This should be acknowledged, and it could serve as a point for differentiation in future research endeavors examining the rates of social media adoption across countries in Europe.

3.5 Case Studies

This portion of research entails the study on the role of social media in relationship marketing from the viewpoint of the banking institutions. The study was conducted utilizing the case study design. The following section describes in details the premises, design, data collection techniques and analysis pertaining to this portion of the research.

3.5.1 Purpose & Objectives

According to Yin (2003), the description of the design of an exploratory case study research should be preceded by the explanations about: 1) what is explored, 2) the purpose of the exploration and 3) how the exploration will be judged to contribute to the theory (p.30).

The purpose of this study is to explore the role of social media in relationship marketing from the perspectives of the retail banking institutions operating in the SEE region. This study is designed to explore, uncover and illustrate the perspectives of the retail banking organizations regarding the phenomenon of social media in banking. The study aims to answer research question Q2 and its sub-questions:

Q2: How do retail banking institutions in SEE view the role of Web 2.0 and social media in relationship marketing?

2.1 What assumptions on opportunities and challenges do banks in the SEE hold in regards to the role of social media in marketing banking products and services in the retail sector?

2.2. How do banks view the possibility of social media marketing to impact the relationships with clients in the retail segment?

2.3 What perceptions do banks have about the level of interest among consumers to utilize social media in the relations with banks?

2.4 What are some of the key requirements and the key success factors from the viewpoint of banks for incorporating social media in marketing strategies in practice? What are the key challenges and obstacles?

2.5 How are banks describing their current marketing strategies targeting customers in the retail sector? How is RM accommodated in the practices of banks in the region?

2.6 How do banks envision marketing strategies for the retail sector in the future? What role do online communication technologies play in these predictions?

By answering these questions, this study contributes to an in-depth understanding of the opportunities and challenges that banks face in their marketing endeavors in the retail customer sector. The objective of this study is to identify whether and how social media can ameliorate relationship marketing practices, based on the viewpoint of banks. These insights, in turn, help build and extend the RM theory in the light of the modern-day Web 2.0 social media communication technologies. The study is also placed in the contextual setting of the retail banking industry in the SEE region, and hence answers the aforementioned research question and its sub-questions through the prism of of banking in the SEE countries, thus contributing to a better understanding of bank marketing issues in this less-researched region.

3.5.2 Multiple case study approach

This portion of the research entailed the conduct of multiple comparative qualitative exploratory case studies, illustrating the examples of how banks accommodate the social media phenomenon in their marketing strategies and practices, based on the accounts of the retail banks operating in the SEE region.

A case study is defined as *"an empirical inquiry that investigates a contemporary phenomenon within its real life context especially when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used"* (Yin, 1984, p. 23). Social media is considered to be a relatively novel phenomenon in bank marketing, but its role in RM practices and the potential to ameliorate RM efforts in the retail sector (although speculated) are not precisely defined (Brun et al, 2014; Stone, 2009; Trainor et al, 2014; Vemuri, 2010). Therefore, research based on the case studies proposes to provide valuable insights about how the role of social media in RM in banking is defined. The real-life experiences and approaches by the banks are seens as the means for building the theory.

An exploratory qualitative case study is described as an instrument which helps *"gain insight into the structure of a phenomenon"* for the purpose of developing the theories and models that advance the knowledge in the selected field of study (Scholz and Tietje, 2002, p. 11). It differs from the explanatory type of case study design in that its interest is primarily in the theory-building rather than in theory-testing (testing the causal relationships between the variables) (Scholz and Tietje, 2002). Thus, case study fits with the purpose of this research to contribute to the theory of RM and to explore how the phenomenon of social media is situated in the reality of retail banking.

According to Schell (1992, p. 2), as a form of research, the case study is *"unparalleled for its ability to consider a single or complex research question within an environment rich with contextual variables"*. Such is the environment addressed by this research, which places interest in the role of social media in RM in the context retail banking in the SEE region. The case study is also an appropriate research format for the studies addressing the *"how"* and *"why"* questions about the phenomenon under investigation, and thus is a choice that corresponds to the questions outlined above (Perry, 2001; Schell, 1992; VanWynsberghe and Khan, 2007; Yin, 2003). According to Yin (2003), one of the key advantages of the case study research is the ability to obtain an in-depth understanding of the concepts and elements that shape the way a phenomenon is accommodated in the organizational context.

Multiple comparative case studies were selected as the appropriate research choice for this study. The study explores multiple perspectives and outlooks about the role of social media in banking, constructed in the experiences of individual banks. Multiple comparative case studies permit cross-reflection of the RM and social media approaches across multiple banking institutions. They permit exploration of the similarities and differences among organizational practices on the micro (firm-based) and the macro (industry-based) levels (Eisenhart, 1989; Stavros and Westberg, 2009; Yin, 2003). This contributes to the creation of a gallery of unique examples reflecting the variety of perspectives about the role of social media in RM in the SEE retail banking setting (Remenyi et al 2002; Yin, 2003).

As suggested by Denzin and Lincoln (1998), *"the value of case study is in its uniqueness"* (p. 51). The construct of each case in this study offers a unique and valuable outlook on the perceived role of social media in bank marketing. Each case presents a unique example of how social media is accommodated in the reality of retail banking in the SEE banking industry. By accommodating multiple cases, this study allows to grasp not only the rationale about how the social media phenomenon is accommodated by individual banks, but also allows to draw the parallels across cases. The value of the multiple case studies to building theory in the domain of online RM in bank marketing research was noted by several authors (Ellis-Chadwick et al, 2002; Kapoulas et al, 2002; Stone, 2009).

According to Yin (2003), research based on the multiple case studies is considered *"more compelling"* than a single-case study research, as it accommodates the potential to build the theory with a greater robustness (p. 46). Multiple case studies are especially suitable approach when pursuing the replication logic, for the purposes of establishing the external validity in the case study research (p. 34). Yin (2003) defined this as *"establishing domain to which a study's findings can be generalized"* (p. 34). Following this rationale, the multiple case studies design allows to draw the boundaries for the analytical generalizations, by examining the extents to which a certain rationale is replicated across the cases and is attributed to the theory (Yin, 2003, p. 37).

3.5.3 Design

According to Yin (2003, p. 50), the process of building the knowledge from case studies is carried along in stages:

- *design stage*: defining the theoretical premises of the research; forming research questions; defining and selecting the units of analysis/case; and designing the data collection protocol;
- *data collection and preliminary analysis stage*: conducting multiple case studies; producing individual case reports; and
- *conclusions and theory-building stage*: conducting cross-case analysis and drawing cross-case conclusions; defining theoretical contributions; producing the cross-case report.

The blueprint of the design of multiple case studies is largely based on the outline proposed by Yin (2003). Figure 4 illustrates the design of this portion of research.

The overview of the theory and the past research efforts were conducted in Chapter 2:. Research questions pertaining to the multiple case study portion of the research were outlined in the beginning of the Section 3.5, under the "Purpose and Objectives", which present the key research question Q2 and its sub-questions. The text that follows describes in a greater detail the processes pertaining to the design of this portion of the research: the rationale for the selection of the cases, the design of the data collection protocol, how case studies were conducted and how the analysis was performed. Writings on the individual case reports as well as the cross-case analysis are presented in Chapter 5: titled "Findings from Case Study research". Contributions to the theory are provided in Chapter 7:, which presents a discussion and conclusions drawn from this study, alongside the insights from the research as a whole.

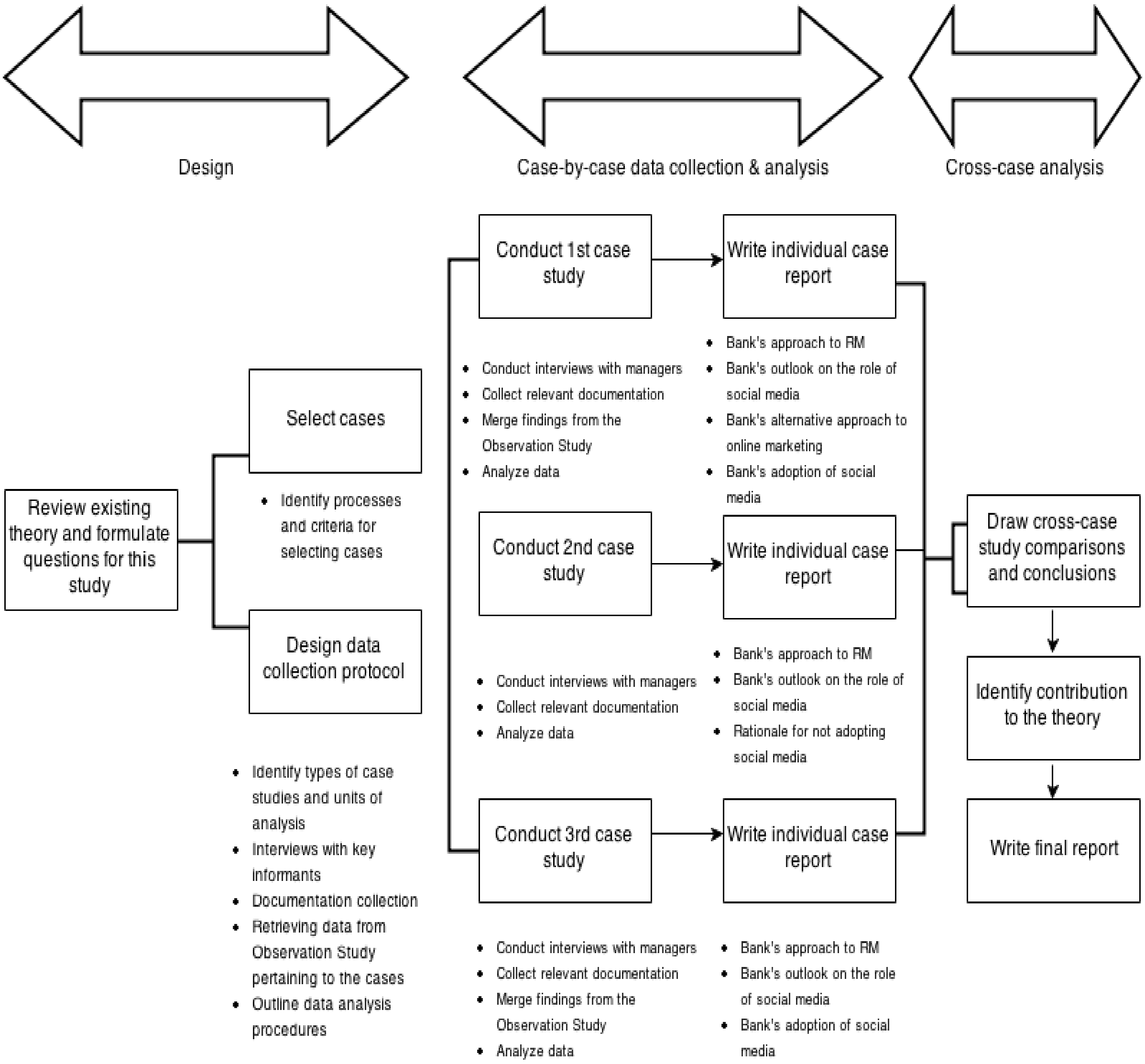


Figure 4: Design of multiple case study research.

3.5.4 Selection of Cases

3.5.4.1 Process of case selection

Identification of potential cases

The study relied on the theoretical sampling of cases, under the premise that certain criteria for the selection of the cases are necessary in order to contribute to the theory development (Eisenhardt, 1989). According to Cho and Lee (2014), for the purposes of theory-building, it is advised to purposefully and strategically identify potentially information-rich cases. Certain criteria were outlined for the purposes of identifying banks that would be potential cases.

Firstly, it was decided that organizations qualifying to be considered for case studies were banking institutions offering retail banking services to the mass consumer segment and operating in the countries of the SEE region. Banks offering only corporate banking services or investment banking and insurance were not under consideration, as their scope of business did not correspond to the interests of this research, which is to investigate the role of social media in marketing to the retail customer segment.

The criteria for selecting the countries from which banks were sampled were aligned with the geographic criteria applied in the Observation Study. This was necessary in order to be able to triangulate the findings between the studies. Decision was made to focus on six countries in the region: Albania, Bulgaria, FYROM, Greece, Serbia and Romania. As explained previously in the Section 3.4.2 in the Observation Study, these countries were deemed interesting for the research exploring bank marketing approaches in this region of Europe, as suggested in the literature (Anayiotos et al 2010; Andries and Capraru, 2014; Badulescu and Nicolae, 2010; Fang et al, 2011; Klimis, 2011). Moreover, retail banking industry in the SEE region is characterized by tight interconnectivity between banks through the networks of international financial groups, which have a wide presence across the region. This is especially evident in the six countries chosen for the sample, where the presence of Greek banking institutions and European financial groups and brands is especially pronounced. The presence of common banking institutions and brands (e.g. Greek Alpha bank has a presence in all of the six countries in the sample) gives the sample a homogenous characteristic worthy of exploring. Appendix A provides an illustration of how represented European and SEE-based banking brands are in the sample. This characteristic is interesting for the purposes of this research, as it allows to explore the common social media approaches in marketing, possibly shared across the brands and networks of banks.

The insights gathered from the Observation Study were used to guide further the selection of the banks deemed interesting for the conduct of case studies. Data gathered for the purposes of the Observation Study guided the sampling choices for the case studies. Thus, sampling was theory-driven. Insights from the Observation Study suggested that banks belonging to the European networks (e.g. Societe General) and banks belonging to the networks originating from within the SEE region (e.g.

Alpha banking group from Greece) displayed slightly more advanced levels of social media uptake than the domestic banks or banks belonging to the global multinational groups (e.g. Citibank) (please see Section 4.2.4 in the Observation Study chapter for detailed presentation of the findings). 3% and 4% of the SEE and European-network banks respectfully had presence in three or four and more social media sites, compared to 2 % of the domestic banks. Instead, domestic banks displayed greater instances of one-channel level of social media adoption, which is considered less advanced and more reserved than multi-channel form of social media uptake. Therefore, preference was placed on the banks belonging to the SEE-based and European banking groups, under the premise that banks in these clusters were likely to pose as information-rich cases on the subject of social media (based on the observations that they displayed the tendency of more advanced levels of social media uptake). This also allowed to narrow down the sampling pool from the total of 141 banks in six aforementioned countries, to 87 banks, which belonged to the European and and SEE-based banking clusters.

It is important to note, however, that banks without social media uptake were not excluded from the sample. In fact, the Observation Study revealed that a large number of banks (48% of the total sample of 141 banks) did not have any form of presence in the Web 2.0 channels. This was a finding worthy of further exploration through case studies. The rationale was based on the belief that by exploring the perspective of non-adopter banks, the research would also tap into the contrasting stance about the use of social media in RM in banking, based on the examples of banks abstaining from the Web 2.0 adoption. Researcher believed that non-adoption should not be ignored, as it could contain important contrasting insights on the the role of social media in banking, which would add complexity to the exploration of the subject. Since the distribution of non-adopters was equal between local, SEE and European banks (15% in each cluster, please see Section 4.2.4 for detailed breakdown of findings), the decision was made to continue focusing on the sample of SEE and European networks of banks, including both adopters and non-adopters of social media from these clusters.

The rationale for considering both adopter and non-adopter banks was based on the aspiration to explore and identify the wide spectrum of rationales on the significance of social media in banks' marketing strategies and practices (Eisenhardt, 1989; Yin, 2003). Yin (2003) suggested that multi-case design should accommodate the scope for *"replication logic"* (Yin, 2003). According to Yin (2003), multiple case studies allow for literal replications (comparisons of similar incidents across cases) and/or theoretical replications (comparison of dissimilar incidents across cases and identification of contrasting ways in which the phenomenon is accommodated). For the purposes of this research, replication to the ability to corroborate and extend the findings across cases, to observe how incidents are replicated across cases in different settings and to make constructive comparisons across cases with different approaches to social media (Schell 1992, p.6). Repetitive patterns across the cases pointed at the common perceptions about the phenomenon shared by the banks operating in the SEE banking industry (Yin, 2003). Nevertheless, the value was also derived from the originality of the individual cases, which helped identify the unique approaches to marketing and customer relationships (Yin, 2003).

The rationale for including banks with an already established presence in social media was based on the motives to explore:

- banks' expectations from their social media marketing initiatives, as well as the strategic and tactical premises behind the decisions to establish social media presence;
- the areas of marketing where banks utilized social media;
- the types of clients targeted via social media initiatives;
- the experiences and lessons learned from the social media initiatives;
- future aspirations in regards to social media and its role in bank marketing and RM.

For the purposes of theory-building, the inclusion of such banks in the sample was important for uncovering the premises and outlooks about the role of social media, based on the experiences, expectations and aspirations of banks that have already initiated social media marketing activities. Such cases were considered to allow for literal replication (Yin, 2003, pp. 47-49), and to uncover similar logic about the value of social media in RM among banks-adopters.

Additionally, banks without an established presence in social media were also considered of interest for the construct of case studies. The rationale for considering such banks was based on the premises to explore:

- the rationale for abstaining from the adoption of social media in marketing;
- the stance about the relevance and significance of social media for RM in the retail segment;
- the outlooks on the types of marketing communications most suitable for RM in the retail segment;
- the visions about the future trends in bank marketing and RM for the retail customer segment and the role of online communication platforms.

For the purposes of theory-building, consideration of such banks was expected to contribute to uncovering the rationale about the role of social media in marketing from the perspectives of banks non-adhering to the social media trend. Such cases were considered to accommodate possible theoretical replication (Yin, 2003, p. 47-48) and to uncover contrasting logic about the value of social media in marketing, attributed to the "predictable reasons" from the banks non-adopters.

Based on the insights from the observation study, from 87 SEE and European-network banks operating in the six countries of the sample, 47 banks were identified as non-adopters, while the remaining 40 banks had social media presence across one or multiple Web 2.0 channels. In order to narrow down the sample for the purposes of the case study research, additional criteria were imposed. The sample was filtered to identify and isolate the leading banks in each of the countries in the sample. The filtering was based on the volume of banks' businesses, the number of accounts served and their estimated market shares. (Information about these variables was obtained from the official websites of the banks for the purposes of identifying the leading banks). This rationale was based on the observation by the past relevant research, which argued that social media pioneers in the banking industry as well as banks with most proactive RM approach were usually banks at the top of the market, with leading market shares and volumes of business (Ellis-Chadwick et al 2002; Klimis, 2010). Following this approach, 36 banks (including both adopters and non-adopters of social media) were identified as the possible candidates for conducting the case studies. The sample contained six banks for each of the countries in the sample.

The sample in each country contained three adopter banks and three non-adopter banks. Each set was comprised of the leading SEE and European-network banks in each respective country. This allowed for consistency in identifying the potential cases, and for uniformity of criteria applied for each country. Thus, the size of the country's retail banking overall did not play a role in sampling, and instead emphasis was placed on the types of banks, their volume of business and their social media adoption status.

Selection of cases

Once the sample was defined and the pool of banks of interest for the conduct of the case study research was identified, the next step was recruitment of the subject cases for this study.

Marketing and PR departments of the 36 banks were contacted via email with an invitation to participate in this research. (Email addresses of bank's marketing and PR departments were identified on banks' official websites.) Alumni network of the City College – University of Sheffield was also approached and alumni working for the banks were contacted via email and phone with the purpose of initiating the contact with their organizations and inviting the banks to participate in this research. Such initiatives for recruiting organizations and participants for the purposes of case studies was encouraged by Darke et al (1998), who proposed to contact all relevant departments and people in the organization who could be *"useful sources of information about functional areas, reporting structures, and people's roles within organizations"* (p. 282) and could help in introductions and recruitment of the cases for the research.

As a result, initially five banks responded positively to the invitation to participate in this research (i.e. 2 banks from Greece, 1 bank in FYROM, 1 bank in Serbia and 1 bank in Romania). Two of these banks had already adopted social media, while the remaining three were non-adopters at the time. As explained earlier, all banks belonged to either SEE-based or European banking groups and brands. However, two banks withdrew from the research during the early phases of the data collection during preliminary online interviews with management (a bank from Greece and a bank from Serbia, both active in social media). As a result, the final number of banks consenting to be the subjects of case studies in this research was three.

The reasons provided by abstaining banks for the withdrawal from the research were based on the fears of drawing premature conclusions about the role of social media, given their relatively short-term experience with social media marketing. The rationale was based on the fact that these banks had launched their social media presence less than a year before being contacted to participate in the research, and hence feared that their experiments with social media would not render sufficient insights for theory-building, which is the aim of this research. Additionally, the lack of the time resources cited by bank managers was stated as the reason for withdrawal from the research as well, as the managers believed they could not dedicate the time necessary for the data collection for the constructs of case studies. The latter was identified by Darke et al (1998) as a problem commonly encountered by researchers in the development of case studies. Thus, these banks were not included as the final cases, due to the fact that data collection for these cases could not have been completed.

Despite these challenges, three banks agreed to participate in the research and served as the subjects for constructing the case studies. According to Yin (2003), there is no pre-defined requirement of the number of cases needed for the construct of multiple-case studies, as size-related sampling criteria in classical positivist term do not apply in qualitative case study research (p. 51). The total number of case studies conducted was the subject of accessibility to the retail banking sector, as well as the subject of the quest for literal and theoretical replications (i.e. two cases presented banks active in social media and one case presented a bank non-active in social media) (Bowen, 2005; Perry, 2001; Stavros and Westberg, 2009; Yin, 2003). The profiles of the banks used as cases in the research are presented in Table 6 and include basic information about the banks. The information does not contain the true names of the banks, as all brand-related clues had to be preserved and protected under the confidentiality agreements established with the banks as the prerequisites for the participation in this research).

Table 6: Profiles of the banks in case studies.

	Case study 1: Bank A	Case study 2: Bank B	Case study 3: Bank C
Country	Greece	FYROM	Romania
Number of retail accounts	9 million	>850,000	>1 million
Number of branches in the country	>500	> 25	> 250
Retail services offered	Deposits, loans, cards, insurance, investments, payments, online & mobile banking, private banking	Savings, current accounts, deposits, loans, transfers, cards, investments, online banking	Deposits, loans, savings, cards, investments, insurance, transfers, online banking
Affiliation	Head organization of a Greek financial group with subsidiaries in 6 other countries of the SEE region (Albania, Bulgaria, FYROM, Romania, Serbia, Turkey) as well as in other counties in Western Europe, Australia and Africa	Member of one of the largest European banking groups with headquarters in France and with subsidiaries in 9 countries of the SEE region (Albania, Bulgaria, Croatia, FYROM, Moldova, Montenegro, Romania, Serbia and Slovenia) and multiple subsidiaries across Western Europe, Africa, Asia and South America	Member of European banking organization with headquarters in Greece and subsidiaries in 4 countries of the SEE region (Bulgaria, Greece, Romania and Serbia) as well as in 4 other European countries
Social media status	Presence in: Facebook (since May 2013); Twitter (since August 2013); YouTube (since November 2012)	No established presence in social media	Presence in: Facebook (since October 2011); Twitter (since January 2012); YouTube (since July 2013); GooglePlus (since August 2012); Blog (since July 2013)

As mentioned earlier, the size and scope of business were among criteria for selecting banks for case studies. It can be noted that there is a considerable discrepancy between the banks in the volume of retail accounts served and the number of branches served (e.g. Bank A serves 9 million accounts while Bank B serves 850,000). It is important to acknowledge, however, that these banks posed as the leading banking institutions in their respective countries, whereby the volume of businesses was proportional to the size of their respective local markets served. Therefore, all three banks are essentially similar in their business scope and are the leading financial institutions in their respective countries. This rationale allowed for cross-comparison between the cases (Stavros and Westberg, 2009).

It is also important to explain how these cases are representative of the banking in the SEE region in the context of this research. In order to highlight the relevance and the value of these cases to the research, it is necessary to understand the dynamic of social media adoption among the banks in the region. Since the work on the case studies started in 2012, the data from 2012 time-series of the Observation Study was used to cross-check the relevance of cases and the level to which they could be considered representative of the overall state of the social media adoption in the region.

By cross-referencing the insights obtained from the Observation Study (please see Section 4.2.2 for detailed findings), it is important to highlight that the levels of social media uptake in banking were not equal across the countries. In 2012, banks in Greece and FYROM had some of the highest levels on non-adoption in the region, at 55% and 50% respectively. At the time when the work on the Bank A (bank in Greece) and Bank B (bank in FYROM) began, neither of the banks was active in social media. This aligned with the considerable volume of non-adopters in these countries, thus rendering the banks as relevant to the context of the research and valuable for theory-building. Conversely, banking industry in Romania displayed the most advanced levels of social media uptake in the region, with 60% of banks having some form of social media presence, and majority of banks having presence in multiple social media platforms. The case of Bank C (bank in Romania) is representative of this trend, as the bank demonstrated early ventures into social media through multi-channel adoption strategy.

Moreover, the advancements in social media in these cases over time aligned with the chronological progression of the overall social media adoption trends recorded for the region in the Observation Study. Although initially resisting social media adoption, Bank A eventually established presence in social media, with its pace of adoption and the choice of channels closely aligning with the general trends observed among other banks in this country (Greece). Similarly, Bank C continued to pursue broad expansion into social media, adopting alternative channels such as Google Plus and a blog, which are reflective of the overall trend among the banks in Romania towards more diversified social media activities. Finally, Bank B remained resistant to social media adoption by the conclusion of this research, which also aligned with the general observations about the scope of social media uptake among banks in FYROM, which displayed the least advanced ventures into social media in the region. Thus, despite having only three banks in the case study portion of the research, these case studies are relevant and valuable to the theory-building as they are reflective of the progress of social media uptake across different countries in the region.

3.5.4.2 Defining the units of analysis

"Unit of analysis" is a term used by Yin (2003, p. 22) to define *"what the case is"*. For the purposes of this study, a case is a single retail banking institution operating in the SEE region.

Embedded design was selected for the construct of case studies. According to Scholz and Tietje (2002), embedded case studies can be defined as case studies which *"involve more than one unit or object of analysis"*, whereby *"the multiplicity of evidence is investigated at least partly in sub-units, which focus on different salient aspects of the case"* (p. 9). The rationale for adhering to this type of the case study design was based on the idea to integrate findings from the Observation Study (described earlier in this chapter) in the constructs of case studies and to combine them with the findings and insights obtained directly from the organizations used as the units of analysis (i.e. banks) for the purpose of extending the scope of theory building.

Following the embedded case study characteristics, two *"embedded units of analysis"* are used in the construct of each case study. Key embedded unit of analysis included insights obtained directly from the retail banking organizations (e.g. interviews with bank management, documentation material). Supporting embedded unit of analysis included observations about banks' presence in social media, obtained by conducting the Observation Study (described earlier in this chapter).

The rationale for such design was based on the idea to allow for the cases to be constructed and analyzed during a prolonged period of time. Insights obtained directly from the banks were restricted in terms of the time frames for data collection (data originating directly from the banks was collected in 2012). The inclusion of the web-based observations from the Observation Study allowed a prolonged monitoring of banks' social media activities past that time frame (data in Observation Study was collected from 2012 to 2014). This allowed for more information to be obtained for constructing the case studies, taking into consideration the changes in their social media uptake over time. It was important to acknowledge these changes for the purposes of reflecting the dynamics of how the phenomenon was accommodated by the banks over time and for the purposes of building theory.

This approach is slightly different to the typical example of the embedded design described in the literature, whereby the key embedded unit in the design is typically the company as a whole and the supporting embedded units of analysis are organization’s sub-departments and individuals affected by the phenomenon under investigation (e.g. employees, external stakeholders) (Scholz and Tietje, 2002, p. 9; Yin, 2003). Under this interpretation of the embedded design, a case study would be constructed to include a bank as a whole as the key unit of analysis, while supporting units of analysis would be bank’s marketing, digital communications and customer relations departments, bank’s retail clients, or possibly other entities responsible for the management of bank’s online communications and social media (e.g. collaborating social media marketing agencies). However, due to the restricted access to the banks, the researcher was not granted the permission to investigate bank’s individual departments, clients or collaborating entities. It is important to acknowledge that the inclusion of these additional units of analysis could have possibly contributed with complementary knowledge about how social media is accommodated in bank marketing and customer relations. However, due to the restrictions imposed by banks, the inclusion of such embedded units of analysis was not possible.

Instead, insights gathered from the Observation Study provided additional data about banks’ activities in social media and extended the findings for each case study. Several suggestions from the literature were identified, which gave an idea for such approach. Schell (1992, p. 6) argued that for the purpose of theory-building, cases may be designed to cover *“protracted period”* of time, while data collection and analysis could contain new or revised findings “pursued at future point in time” in order to advance or to complete the knowledge. Under this rationale, the inclusion of the insights from the Observation Study as the additional embedded units of analysis is sound for the purposes of advancing the building of cases and extracting the underlying knowledge.

In support of this design decision is also an argument made by Scholtz and Tietje (2002), who explained that *“embedded case study allows for a multiplicity of methods that may be applied within the subunits”* (p. 10). As noted by Schell (1992), it is customary in the case study research to utilize multiple sources of data and units of analysis to construct the cases. Therefore, utilizing insights from the Observation

Study as supportive units of analysis was considered methodologically acceptable for the purposes of this study. The *"instrumental motivation"* for such choice of the case study construct (Scholtz and Tietje, 2002), was based primarily in the interest to allow for further theory-building about the role of social media in bank marketing and customer relations in retail banking.

3.5.5 Design of Data Collection Protocol

Data necessary for the construct of case studies was obtained from multiple sources: in-depth semi-structured interviews with banks' management, banks' public documentation, as well as observations from banks' official websites and banks' official social media pages (Schell, 1992). The combination of multiple data sources according to Scholz and Tietje (2002) and Yin (2003) and allowed for data triangulation, providing stronger validity of data and *"substantiation of constructs"* and emerging propositions (Eisenhardt, 1989, p. 538). This enabled to obtain comprehensive understanding of the strategies of each bank and to construct rich and descriptive cases (Yin, 2003; Stavros and Westberg, 2009).

The processes of collecting and analyzing observations about banks' social media pages were described in the Section 3.4 of this chapter about the Observation Study. Therefore, the procedures for identifying, gathering, processing and analyzing data from social media will not be discussed here, in order to avoid excessive repetitions. Instead, the next sections describe the processes and measures taken for conducting the interviews with the bank managers and for collecting the relevant documentation.

3.5.5.1 Key Informant Interviews with Managers

Process of identifying and selecting the key informants

"Key informant interviews" are interviews conducted with a number of individuals representing the organization of interest, selected according to pre-defined criteria (Dorussen et al, 2005; Knapik, 2006; Patton, 2002). The concept of the key informant interviews is based on the assumption that the specific knowledge sought in the case study is found in the experience and expertise of certain individuals representing the organization as a case (Eisenhardt, 1989). Thus, this interviewing approach assumes that only the "key informants" or "elite" representatives of the organizations possess the adequate level and scope of knowledge required for exploring in depth the studied phenomena (Knapik, 2006). Literature on the research in bank marketing, RM in the retail banking sector as well as online banking communications documented the value from utilizing the key informant interviews for the construct of case studies (Hughes et al., 2007; Kapoulas et al., 2002; O'Loughlin et al., 2004).

Participants for the "key informant" interviews were purposefully selected in order to maximize the discovery of the themes and constructs (Patton, 2002). These pre-defined criteria for identifying key informant interviewees allowed to approach the individuals capable of providing elaborate answers to the research questions (i.e. people who play prominent marketing roles in the organization and have extensive working experience.). This also allowed preventing *"the chance of discovery failure"*, which often endangers qualitative studies, due to participants' lack of knowledge related to the research questions (Silverman, 2004).

For the purposes of this research, the key informants were identified as the top managers of the banks, who are decision-makers and possess first-hand insights on the banks' marketing approaches and social media strategies. Key informants were considered to be holding titles such as: Marketing Director; Relationship Marketing Director/Manager; CRM Director/Analyst; Director/Manager of Retail Business; Customer Experience Manager; Marketing Analyst/Research; Digital/Online/Internet Communications/Web 2.0 Manager/Officer, etc. The underlying assumption was that people responsible for these areas of banking operations possessed the most relevant and in-depth knowledge on the phenomena of interest to this research. In addition, it was assumed that in order to possess in-depth knowledge about organization's operations and strategies, key informants held five or more years of professional experience working for the bank, in order to be able to elaborate on the bank's history of marketing approaches and initiatives.

Department managers were preferred interviewees for this research, as opposed to other lower-level bank employees (e.g. front-desk tellers, branch staff etc). Although bank tellers and front-desk employees have direct contact with retail customers on a daily basis, these employees typically do not have access to the administration systems of social media accounts. Typically, these accounts are in the hands of employees specifically designated for social media community management, overseen by top management (Guinan et al, 2014). Front-desk employees typically do not possess the required knowledge about the efforts invested by banks into social media or how social media is strategized and operated. Thus, including front-desk employees in the sample was perceived to not have the potency to contribute to the sought knowledge, and preference was given to top managers.

According to Yin (2003) and Hancock and Algozzine (2006), one of the key issues when devising the field procedures for the conduct of case studies is the accessibility to key informants. Key informants were discovered by searching for contacts on the banks' official websites, by utilizing college alumni networks, as well as by referring to online social networks, such as LinkedIn, which contain databases of professionals. As stated by Miles and Huberman (1994), qualitative studies are advised to follow a *"conceptually driven sequential sampling"*, where early informants guide the researcher to other comparable or contrasting cases and relevant information-holders, who contribute to the building of theoretical insights. Such "opportunistic" or "snowball" sampling is deemed appropriate in qualitative research and especially in the case studies where knowledge is often in the hands of a small number of people, who are often key decision makers and are unique sources of information (Miles and Huberman, 1994). Thus, recommendations and referrals were also employed for identifying interviewees and for gaining the access to the bank managers of interest. According to Darke et al (1998), this strategy helps to gain greater interviewee's responsiveness and enhances the chances of the targeted individual's willingness to participate in the research. Table 7 provides a summary of the managers who participated in key informant interviews.

Table 7: Key informant interviewees - summary.

Case Study	Interview participants	Brief participant profile and role in the organization
Bank A	Code: Bank A, Manager 1 *Head of Department of Marketing & Sales*	o Responsible for bank's marketing and promotional activities; o Responsible for management of regional accounts
	Code: Bank A, Manager 2 *Regional Manager*	o Responsible for the management of bank's regional operations
Bank B	Code: Bank B, Manager 1 *Director of Distribution & Operational Marketing*	o Responsible for banks' marketing strategies and execution of promotional campaigns
	Code: Bank B, Manager 2 *Director of Retail Banking Division*	o Responsible for the management of bank's retail business segment and network of branches o Responsible for overseeing customer service and loyalty programs
	Code: Bank C, Manager 1 *Head of Online Banking*	o Responsible for the definition and implementation of strategies in the online sector (i.e. bank's

Bank C	*Business Development*	website, online banking application) and online customer experience across bank's online platforms; o Responsible for monitoring the adoption of bank's market offering based on market trends; o Responsible for online marketing initiatives and activities (in collaboration with external agencies).
	Code: Bank C, Manager 2 *Executive Director - Retail Channels Management Division*	o Responsible for online banking service channels, management of remote and self-service banking services, customer support services and mobile banking

Devising Interview Guide

Interviews with the key informants were conducted in a semi-structured, open-ended format (Scholz and Tietje, 2002; Silverman, 2004; Yin, 2003). Open-ended, semi-structured format of the interviews enabled obtaining the information in the "raw" form, with interviewee's own personal vision on the subject. This allowed gathering valuable and original examples, insights and nuances that might not be have been discovered using other highly structured research methods (Carson et al., 2001; Patton, 2002).

Interviews were conducted with the use of an interview questioning guide, which was designed specifically for the interviews with the key informants. Interview questioning guide contained a list of open-ended questions, devised to initiate the discussion with the key informants and to guide the discussion across topics that are pertinent to this research (Patton, 2002). The open-ended format of the questions allowed interviewees to elaborate on the answers and to provide detailed responses, based on their own personal opinions, experiences, knowledge, and perceptions (Knapik, 2006).

Questions were devised based on the knowledge gathered from the relevant literature, but did not contain overly complex and formal academic terms and phrases, in order to avoid confusion and potential bias (Wengraf, 2001; Knapik, 2006). Questions were designed to address bank's current RM strategies, bank's online marketing policies, bank's implementation of social media etc. This allowed keeping the focus on the relevant topics (for instance, not going into an in-depth discussion about marketing for corporate clients, which is outside of the scope of this research), while still providing a flexibility and freedom for interviewees to express their own viewpoints and to establish the connectedness among topics (Dorussen et al, 2005; Patton, 2002). However, when devising the interview guide, caution was paid to avoid formulating questions that would lead interviewees onto particular answers and that would introduce researcher bias (Patton, 2002).

The guide was also formulated to include the questions pertaining to the particularities of each bank. It became evident that it was useful for the researcher to familiarize herself with bank's websites and (where possible) social media channels before conducting the interviews. This allowed the researcher to demonstrate the awareness of bank's online presence and to address the informants with specific and to-the-point questions, which enticed an in-depth and engaging discussion. Similar tactic was advocated by Knapik (2006), who proposed that researchers should prepare a summary organization's activities beforehand and to present it to the informants to encourage comments and discussion. As suggested by Knapik (2006, p. 89): *"One possibility I see is for researchers to place previously accumulated knowledge on the table, so to speak, for active critique, that is, to ask participants to consider what fits, where there are gaps, what questionable assumptions might be at play, and what meanings might be contested when this knowledge is placed alongside their experiential expertise."* This proved to be useful for establishing rapport with the informants, helped demonstrate to them the depth of the research, and helped engage informants into discussions.

The questioning guide served to guide interview narrative and was primarily used as a reminder to the researcher of the areas to be addressed during the interview discussions (Wengraf, 2001). Although the guide provided a list of questions to be tackled during the interviews, the researcher exercised the liberty to re-formulate the questions when necessary and to introduce new probing questions as new themes emerged during the interviews, which were worth exploring further (Wengraf, 2001). Interview questioning guide is provided in the Appendix B.

The process of conducting interviews and collecting interview-based data

Interviews were conducted in 2012. Both in-person and remote interviewing tactics were utilized (Knapik, 2006). Although in-person interviews and face-to-face discussions with managers were preferred, this was not possible in all cases, especially in talks with the managers abroad (e.g. Bank C is located in Romania, hence it was not feasible for the researcher to meet the managers in person). In these cases phone-based interviews were used as an alternative. When possible, in-person interviews were conducted in managers' offices, in order to allow participants to conduct discussions in their natural working environment (Knapik, 2006). Interviews lasted on average 60-90 minutes, were conducted in English and were audio-recorded (with the permission of each participant) for the purposes of further data extraction, processing and analysis.

Data collected during the interviews was also complemented with online correspondence with participants via emails. The emails contained extra information about the banks and clarifications of the statements made by participants during the interviews, to ensure the correct interpretation of the narrative etc. When necessary, a list of additional questions was devised and sent to participants via email for further elaboration and additional inquiry. Darke et al (1998) advised to incorporate online interactive means of communication that allow timely, efficient and undisrupted exchange of information between the participants and the researcher. This allowed managers to think over the questions and to provide the answers at their own pace. Participants were responsive to this format of communication. Although essentially lacking the element of spontaneous interactivity that occurs during in-person interviews, online questioning offered a good alternative for communicating with difficult-to-reach informants (Darke et al, 1998).

3.5.5.2 Collection of Documentation

Case studies also entailed collection of the documentation issued by the banks. Data collection included gathering information from the documents and archives of each bank (Hancock and Algozzine, 2006; Yin, 2003). Documentation collection included gathering data from:

- *online sources*: online documents and reports from banks' webpages, documents and reports from the websites of baking associations (containing information about the banks under study), articles from online journals on financial services and banking;
- *bank's public records*: official documents and reports produced by the banks for their stakeholders (e.g. annual statements, financial reports, performance

reports, marketing research reports, white papers, manifesto etc), corporate newsletters, press releases.

Documentation was collected for the purposes of data triangulation (Eisenhardt, 1989; Yin, 2003). Documentation was used to corroborate data gathered from the interviews with bank managers and to provide hard evidence about banks' practices, campaigns, results, metrics and marketing activities.

The material was discovered primarily from banks' official websites, as well as from the websites of the Central Banks and financial associations in the banks' respective countries. Documentation was retrieved and saved in its original form into PDF and Microsoft Word and Excel documents for further retrieval and processing.

Next section describes how data was processed and analyzed for the purposes of constructing the case studies.

3.5.6 Data analysis

Table 8 provides a summary of the types of data collected, data sources and how data was utilized in the analysis. The text in this section provides an overview of the approaches used for analyzing the data obtained from the interviews with managers and from the documentation

Table 8: Types of data collected and used in the analysis and the construct of case studies.

Data source	Type of data	Utility of data	Purpose
Interviews with banks' management	Textual data obtained from interview transcripts	Provided insight into managerial perspectives on the role of social media in marketing for banks and managers' own interpretations and understanding of the opportunities and challenges that social media presents to bank marketing and RM. Used to corroborate insights gathered from other sources of information.	Enabled to uncover themes constructing managerial perspectives on the role of social media in bank marketing and RM. Facilitated identification of opportunities, challenges, obstacles, barrier and advantages related to the prospects of utilizing social media in marketing and RM.
Documents	Textual data in the form of: - Official reports published by banks online (e.g. annual reports, white papers)	Provided additional information about banks' marketing practices. Provided evidence of banks' online	Facilitated gathering statistical information about banks' performance and scope of activities in the retail sector, as well as

	- Press releases - Articles - Industry reports etc.	marketing activities. Used to corroborate insights from the interviews with bank management	information about banks' marketing campaigns and initiatives.
Observations on banks' online marketing activities	Textual and numerical data in the form of observations about banks' social media pages and corporate websites	Provided additional information about banks' online marketing activities to complement insights gathered in interviews with managers and documentation analysis.	Assisted to uncover changes and developments in banks' online marketing activities over time. Complemented other types of data utilized for the construct of case studies.

Analysis was conducted firstly on the within-case basis (i.e. analyzing the data pertaining specifically to the individual case), and secondly via cross-case comparison of insights between cases. This logic was also followed by Ellis-Chadwick et al (2002). Within-case analysis provided descriptive insights that helped build an understanding of each bank's approach to online marketing, RM, and the outlook on the role of social media (Ellis-Chadwick et al, 2002). Cross-case analysis helped identify literal and theoretical replications across cases (Yin, 2003).

Data gathered from interviews with key informants was transcribed from the audio recordings and converted into text for the purposes of analysis. The recordings were transcribed immediately after the interviews in order to allow the researcher to spot areas for additional discussion. Thus, transcription of interviews occurred as the data was collected.

Data from interviews was analyzed by employing thematic analysis of the text from the interview transcripts (Hancock and Algozzine, 2006; Stavros and Westberg, 2006; Yin, 2003). According to Vaismoradi et al (2013), thematic analysis is defined as a qualitative descriptive approach of data analysis, involving the effort to discern the patterns and themes within the data, to analyze how themes are constructed, and to report prominent themes and constructs extracted from body of data. It essentially entails the practice of segmenting the text into smaller units of the content, containing distinct ideas, and then subjecting these segments to descriptive treatment (Vaismoradi et al, 2013, p. 400). Due to meticulous and thorough approach to reporting on the patterns of ideas emerging from the body of data, thematic analysis is valued for its rich, complex and detailed account of the data (Vaismoradi et al, 2013).

Some of the key characteristics of thematic analysis in qualitative research are provided in Figure 5.

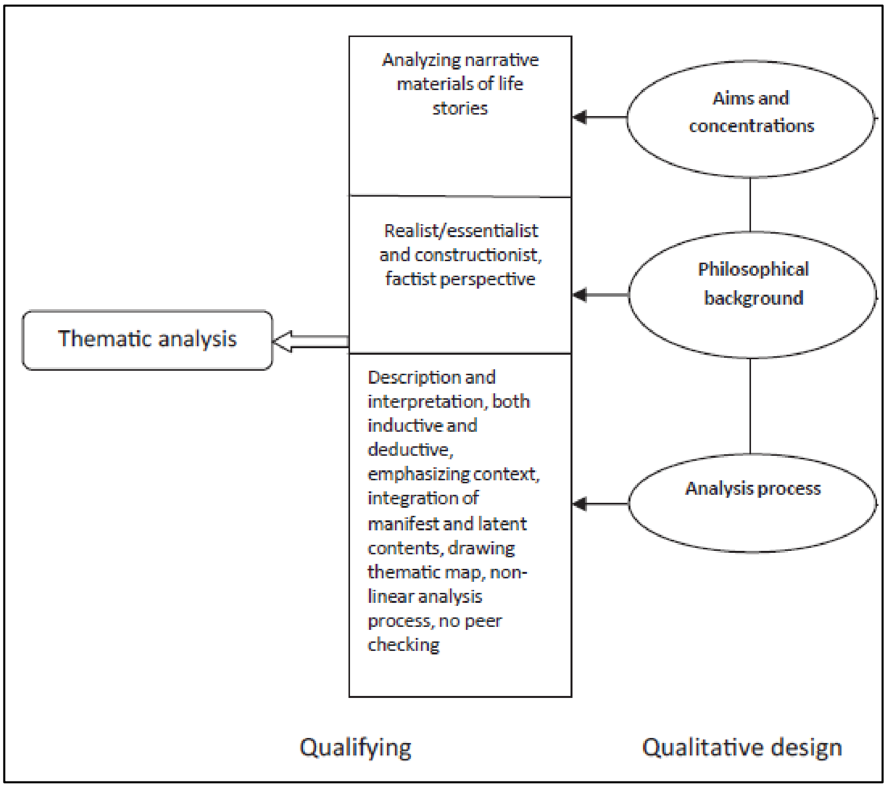


Figure 5: Characteristics of thematic analysis, adopted from Vaismoradi *et al* (2013, p. 399).

Thematic analysis was based on the following sequential phases of data processing, described by Vaismoradi et al (2013, p. 402):

1) *Becoming familiar with the data*: transcribing interviews, re-reading interview transcripts, taking notes and summaries about the ideas for the possible categories and themes;
2) *Generating initial codes*: assigning codes to the data systematically across the entire data set, codes emerge from the terminology used by participants in interviews, organizing data by codes;
3) *Searching for themes*: organizing codes into potential themes, assigning data to each potential theme;
4) *Reviewing themes*: cross-checking how data is attributed to themes, generating thematic map;
5) *Defining themes*: refining the specifics of each theme to arrive to the definitions and descriptions for each theme;

6) *Producing the report*: selecting vivid and compelling examples from data excerpts, drawing comparisons across emergent findings and existing knowledge from the literature, producing the final report on findings.

According to Vaismoradi et al (2013), a theme is an abstract entity, which *"captures something important about data in relation to the research question and represents some level of response pattern or meaning within the data set"* (p. 402). Themes were discovered and formulated following the inductive approach, whereby codes and themes emerged from the data and themes were data-driven, rather than trying to fit the data into the pre-established models (Vaismoradi et al, 2013). Patterns and links across themes were identified and outlined, which helped to develop constructs answering the research questions (Hancock and Algozzine, 2006; Yin, 2003). Appendix C provides an example of a summary sheet of categories explored during one of the interviews with the management of Bank A, which demonstrates how themes were identified.

Documentation gathered for the construct of case studies was translated in English (using Google Translate online service) and was analyzed for information that corroborated the insights discovered in the interviews with the managers. Documentation was incorporated as an evidence supporting the insights gained from the interviews, and thus enabled an internal validation through in-case triangulation (Eisenhardt, 1989; Yin, 2003).

3.5.7 Limitations of the design of the study

It is important to note that the design of this portion of research contained some inherent limitations that should be acknowledged.

Firstly, due to the challenges of recruiting managers to participate in the construct of case studies, only three banks were included in the multiple case study design. Although Yin (2003) argues that the number of cases does not essentially determine the quality or the value of the qualitative multiple case study research, researcher acknowledges that inclusion of banks from other countries of the region (e.g. Albania, Bulgaria, Serbia etc) could have provided a richer pool of data for analysis and more ground for further theory-building. Thus, it is important to acknowledge that findings emerging from this design are context-bound (Yin, 2003).

Additionally, as mentioned earlier, the case studies did not include interviews with banks' front-desk employees from various departments (e.g. sales department, key accounts, IT) or with digital marketing agencies consulting banks on social media. Researcher had a restricted access to banks' employees and associated agencies. This is recognized by the literature as a common problem in the case study design, and as often challenging part of overcoming organizational politics when interacting with real-life companies (Schell, 1992). Thus, it should be acknowledged that the views captured and used to construct the case studies are managerial, and should therefore be taken with consideration.

3.6 Focus groups

3.6.1 Purpose & Objectives of this study

This portion of research explores the mindset of consumers on the subject of the role of social media in relations with banks. The purpose of this study is to address research question Q3 and its sub-questions:

Q3: How do customers of retail banks view the prospect of communicating with their banks via social media, and how would they characterize possible implications of such marketing strategies on their relationships with banks?

3.1 What is the mindset of bank customers about the prospect of utilizing social media in communications with their financial service providers?

3.2 How is consumer's use of social media similar or different in relations with banks, as opposed to the use in relations with other types of companies?

3.3 What constitutes the concept of relationships with companies/brands in social media from the viewpoint of consumers? How do these constructs extend to banks in the digital setting?

3.4 What constitutes the concept of a relationship with a bank from the viewpoint of consumers? How does this concept translate into the Web 2.0 setting?

3.5 What is the value of bank's presence in social media sites from the perspective of consumers? What kind of marketing messages and social media channels are perceived by consumers as the most valuable?

3.6 What are the areas of marketing in which banks could enhance their social media engagement from the perspectives of customers? How could these opportunities be linked to relationship-building?

By addressing these questions, this study aims to explore the opportunities and challenges of marketing banking services via social media, as seen through the eyes of banks' customers. The objective of this portion of the research is to explore customers' opinions and attitudes towards Web 2.0 and social media, their experiences in using social media to interact with banks, and their outlook on the significance and the attractiveness of Web 2.0 communications for supporting their relations with banks. This study explores and attempts to explain the complex structure of consumer thoughts, attitudes and opinions about the idea of bank-customer relationships in the Web 2.0-mediated setting. Therefore, the value of this study is in providing exploratory insights into what constitutes the value of social media engagement for the retail banking sector from the perspective of consumers and particularly young bank clients, who are the most prominent target in banks' Web 2.0 initiatives.

3.6.2 Rationale for focus group study

The topic of Web 2.0-mediated RM strategies in financial services is relatively new and unfolding, and customer mindset about the use of Web 2.0 tools and social media in relationships with financial service providers is not explicitly defined. There is a need to identify, explore and illustrate the elements constructing customers' concerns, experiences and opinions in relation to the use of social media in relations with banks.

According to Krueger and Casey (2009) and Onwuegbuzie et al (2009), focus groups possess an irreplaceable ability to tap deeply into the mindset of people and to help identify opinions, attitudes and emotions through intensive and focused interaction in a controlled social setting. They are a dynamic research tool that enables a collection of rich and experiential data, descriptive of consumer behavior and reflective of the reality as seen by consumers (Krueger and Casey, 2009; Safari, 2012). Thus, this is the primary rationale for incorporating focus group method in this stage of research.

Secondly, as highlighted by Threlfall (1999) and Eriksson and Soderberg (2010), in matters exploring the relations between financial service organizations and their customers, it is deemed of high importance to listen to *"how consumers talk about their interactions with a provider"*, especially when investigating the less-known aspects of the industry (such as the contextual setting of banking in the SEE countries) and new phenomena (such as social media in banking) (Eriksson and Soderberg, 2010, p. 100). Focus groups provide a chance to hear consumers' perspectives firsthand, and to identify their experiences and concerns (Krueger and Casey, 2009).

Thirdly, the choice of this method is supported by the evidence from the past studies, which employed focus groups to aid theory-building regarding the online RM in the financial services sector (Blankson et al 2012; Kapoulas and Mayer, 2004). Experiences of the past research suggest that, when addressing customer relationships with financial service providers, focus groups are perceived as an effective and less-intimidating way for customers to express their genuine and original thoughts concerning their personal business with banks (in comparison to less the methods such as surveys) (Kapoulas and Mayer, 2004). Based on these insights, focus groups are considered ideal form of inquiry for identifying customers' perceptions regarding their relationships with banks and Web 2.0 communication technologies.

3.6.3 The premises of focus group method

Focus groups are a qualitative research method commonly used to obtain answers to research questions that require participants' thorough and in-depth reflections about their feelings, opinions and experiences on a subject (Krueger and Casey, 2009). Focus groups are essentially an interviewing technique, whereby small groups of participants are engaged in an open-ended in-depth discussion on the assigned topic (Krueger and Casey, 2009). This allows researchers utilizing this method to observe and capture an array of experiences, attitudes, sentiments, beliefs and reactions constructing participants' mindsets regarding the investigated phenomenon (Krueger and Casey, 2009; Onwuegbuzie et al, 2009).

By allowing participants to vocalize and depict in their own terms their perspectives and viewpoints on the subject matter, focus groups allow researchers to capture the unique and rich accounts about the phenomenon as experienced by participants, which is often not feasible to the same effect using methods such as quantitative surveys, observations or even one-on-one interviews (Onwuegbuzie et al, 2009). Focus groups also provide a unique ability to encourage participants to engage in a group discussion, to exchange experiences and react to each other's viewpoints and raised arguments, thus allowing researchers to observe and capture the dynamics of social exchanges on a given subject (Safari, 2012).

In comparison to one-on-one interviewing technique, focus groups allow researchers to investigate a multiplicity of views and perspectives from several participants at once within a group setting. In this sense, focus groups also provide the advantage of collecting rich, exploratory and descriptive data from multiple individuals at once, in a more time-efficient manner than other qualitative methods such as ethnography, for instance (Safari, 2012). Furthermore, the dynamics of a group context allow focus groups to capture how participants argue their point of view to each other, and thus provide researchers with an opportunity to explore how people reason on a given subject and what is the precedent of their rationale (Safari, 2012).

3.6.4 Sampling strategy

One of the chief decisions pertaining to the design of the focus group study is identification of the desired sample of participants for the study (Krueger and Casey, 2009).

This study is based on the premise to explore the mindset of bank customers about the implications of using social media in interactions and relations with banks. For the purposes of this study, purposeful sampling was used to identify and recruit participants for the focus groups discussions (Krueger and Casey, 2009). The sample in mind consisted of a population of "young bank customers". This criterion originated from the findings of the Case Study portion of this research, whereby bank managers expressed firm beliefs that "young" population of customers (e.g. college students, young professionals) would be the most adequate client segment for targeting with social media marketing communications. Thus, sampling strategy was both theory-driven and data-driven. Similar references to the "youth market", "youngsters" and "young" bank customers are also found in the literature on marketing bank services (Chau and Ngai, 2010; Shim et al, 2013), which supports the choice of the sample.

3.6.4.1 Characteristics of "Young" bank customers and Gen Y

It is necessary to explain in greater detail the composition of the so-called "young bank customer" sample. The sample largely entails bank customers belonging to the Gen Y socio-demographic group. Gen Y consumers (also commonly referred to as the "millennials" or the "millennial generation), are the demographic cohort of people born between 1982-2000 (successors of the Generation X), who share certain set of common values and behavioral characteristics, including common particularities about the consumption of financial services (Chau and Ngain, 2010; Paulin et al, 2014). Presently, this segment is composed of young professionals in their late 20s and early 30s, college students and teenagers.

There are several characteristics of Gen Y consumers that render this segment interesting for the research in the domain of bank marketing. Firstly, Gen Y consumers are expected to become a powerful group in the marketplace, with future spending power exceeding that of the Baby Boomer generation (Blankson et al, 2012; Paulin et al, 2014). Secondly, compared to the previous generations of Baby Boomers and Gen X-ers, Millennials are characterized as more "extrinsic and materialistic, placing emphasis on money and image" (Paulin et al, 2014; Peltier et al, 2013). These characteristics make Gen Y consumers especially attractive to banking institutions for selling innovative retail financial services. As highlighted by Chen and Ngain (2010, p. 52): *"there is a significant difference in the perceptions, attitude and behaviour of young customers (aged 16-29) towards IBS [Internet Banking Services] than any other age group. We therefore argue that there is value in focussing marketing effort on this segment of the financial services industry, particularly as they provide the greatest promise of future profitability."*

Gen Y bank customers are also characterized as technology savvy, early-adopters of new technologies and fickle, and they invest considerable efforts into researching the best market offerings and negotiating deals (Blankson et al, 2012; Chau and Ngai, 2010; Hedley et al, 2013). This creates an urge for the banks to continuously innovate with new, technology-powered financial products and services.

Keeping the Gen Y's loyalty to a single service provider is a challenge, as the defection rates for this segment are as high as 30%, and the costs of switching financial service providers are diminishing (Hedley et al, 2013). Gen Y customers are also more likely to seek greater control in their relationships with banks (Hedley et al, 2013). Unlike their parents, Millennials grew up with online technologies and are information-savvy, which puts them in the position to negotiate with banks the terms of their relationships (Hedley et al, 2013). Yet, paradoxically, despite the ease of access to information and information-overload, some authors argue that Gen Y bank customers tend to have low level of financial literacy, which fosters their mistrust towards banks (Blankson et al, 2012; Peltier et al, 2013). Thus, research tackling the question of how to market banking services to this particular socio-demographic segment is important.

What makes the "race" for keeping up with Gen Y even more challenging for banks, is the unpredictability of the financial needs of Gen Y, as they display different lifecycle patterns than their predecessors (e.g. they start families later, they are divorcing more, they are prone to starting second or third careers etc), which makes is difficult for banks to make long-term financial plans for developing Gen Y retail accounts (Hedley et al, 2013). This prompts debates about how profitable and crucial relations with Gen Y customers are for the banks, and when is the right time to start engaging with them to foster profitable bonds (Chau and Ngai, 2010). On the one hand, it is difficult to "capture" Gen Y into relationships with banks, but on the other hand, establishing relationships with this cohort is important for banks, due to the inevitable aging of the population and impending reliance on this base of customers in the future (Blankson et al, 2012; Chau and Ngai, 2010).

As Gen Y grow older, they are increasingly under the pressure to gain financial independence, which also entails learning how to establish bank accounts, work with credit cards and utilize banking services (Blankson et al, 2012). What makes their situation different from that of the preceding generations is the fact that the Millennials are "coming of age" when the retail banking marketplaces are overflowing with choices of financial services and products. However, at the same time their reality is also characterized with uncertain and unstable economies, as the aftermath of recent global financial crisis (Letkiewitz and Fox, 2014). According to Hedley et al (2013) and Shim et al (2013), this creates the paradox, whereby Gen Y consumers are attractive segment for banks, but this generation of consumers is largely mistrustful towards financial institutions. Therefore, finding new marketing approaches to market to this generation of consumers is increasingly important for the banks (Shim et al, 2013). Research on discovering innovative, technology-powered RM tactics to engage Gen Y customers relationships with banks is in demand.

Finally, what makes this cohort of bank customers even more attractive for the research on the role of social media in relations with banks, is the fact that Gen Y consumers have a unique set of preferences for marketing. Gen Y consumers rely on online technologies more than any other generation before, and tend to ignore the traditional mass media. Traditional advertising of banking products and services has little effect on their choices of financial service providers, and aggressive advertising campaigns of banking services are even accused of backfiring and alienating Gen Y customers from the banks in the long term (Blankson et al, 2012). Therefore, research exploring the possibilities of social media to mediate relations between Gen Y and banks is valuable.

3.6.4.2 Sampling criteria

Based on the theory-driven insights presented above and the support from the literature about the interest in exploring novel online bank marketing strategies for "young" bank customers, the sample of the Focus Groups study is based on the population of Gen Y bank customers.

Sample includes individuals with high level of education (university level), based on the observation that *"Internet users are better educated than the total population"* (Barbesino et al, 2005, p. 339; Meyer, 2006), and under the assumption that this characteristic is also applicable to the users of Web 2.0 communication technologies as well (Campbell et al, 2014; Gong et al, 2014). Moreover, literature provided compelling arguments and evidence that consumers most active in social media and digital networks belong in the 16-35 age segment (Chau and Ngai, 2010; Gong et al, 2014; Wang, 2011). Hence, Gen Y socio-demographic segment corresponds with the interests of this research. Focus group sample included individuals belonging to middle and upper socioeconomic classes, as this population was identified to be more prone to online interaction with banks due to their accessibility to internet technology (Chau and Ngai, 2010; Gong et al, 2014; Meyer, 2006).

Sample was selected from the population of college students. The benefits of using student population in research in marketing were highlighted by Blankson et al

(2012), Clarsson Hauff et al (2014), Cunningham et al (2008), Hansen et al (2013), Nadiri et al (2009), Peltier et al (2013) and Raciti et al (2013). Although by definition Gen Y includes the population that spans across sub-segments including teenagers, college students and young professionals, for the purposes of this study the sample focused only on the sub-segment of college students. Teenagers were excluded from the sample. This was based on the observations that banks in the SEE sample did not target this demographic explicitly, giving preference to college students instead. As suggested by the managers in the case studies, college students were more lucrative segment for targeting, due to their adult status (college students in the SEE countries are normally commencing their studies at the age of 18) and greater independence in establishing contracts with banks than younger consumers who require parental supervision. Thus, college students were the basis of the sample for this study.

For the purposes of this research, the sample was further refined to include the population of college students in the 21-35 age range. This age range included students in their 3rd and 4th years of university studies, students in the postgraduate programs, as well as doctoral students. College students in the 18-20 age segment were not included due to the wish to focus on the population of students closer to the completion of their studies. This decision was made under the premise that soon-to-be graduates are about to venture into the job market, where their need for banking services will develop rapidly and their concerns over the choices of financial service providers would become more pronounced. Following this logic, this segment is presumed to have higher interest in banking services and in engaging with banks via online communication channels than younger students who have just commenced their studies. Similarly, postgraduate and doctoral students in their 20s and early 30s were included in the sample, under the premise they would allow to tap into the mindset of a more mature Gen Y bank customer segment. These students tend to have jobs in parallel to their studies, and some of them already have families, which makes their inclusion in the sample all the more interesting and valuable for the research on customer-bank relationships in the retail sector. Similar strategy was followed in research by Peltier et al (2013), examining credit card acquisition behavior among college students.

Furthermore, in terms of the geographic criteria, the sample was based on the students from the SEE region, from the countries under focus in the Observation

Study. This allowed to apply a uniform geographic sampling criteria for the research as a whole, and permitted the triangulation of findings between studies as well.

In term of the banking status, sample included bank customers of the banking institutions identified in the Observation Study, in order to allow comparison of data between the levels of social media uptake among banks in the SEE region, against the perceptions of SEE bank customers about the role of social media in banking. This sampling approach also allowed to tackle customers of the banks included in the case studies, which provided for further triangulation of findings and corroboration on the overlaps in the bank-client perspectives.

Finally, another criterion for the sample was focus on active social media users. This criterion was applied along with the other abovementioned criteria. For the purposes of this study it was necessary to focus on Gen Y college students who are bank customers and active social media users, as such population would have the adequate knowledge to answer to the research questionS pertaining to the this study. Population of Gen Y college students and bank customers who are not users of social media were excluded from the sample, as this segment would not be able to contribute to a discussion on the role of social media in banking if they are abstaining from social media activities. Finally, it was important to add that the sample included both bank customers who engaged with their banks in social media channels, as well as those who didn't This allowed to explore in-depth the complexity of consumer mindset about the role of social media in bank relations, and to capture possibly contrasting perspectives about the phenomenon necessary for theory-building.

The sample was drawn from the population of undergraduate, postgraduate and doctoral students of an international college located in Greece (City College – University of Sheffield). Student population of the particular college offered a set of demographic characteristics corresponding to the specific interests of this research:

- Students of this college presented Gen Y socio-demographic population;
- students belonged to the sought 21-35 age range;
- students originated from the countries of the SEE region (Albania, Bulgaria, FYROM, Greece, Romania and Serbia);

- students were active clients of at least one of the banks identified in the Observation Study (with many of them being clients of multiple banks across multiple countries of the SEE sample);
- students resided in Greece (where the university is located), and therefore had the homogenous characteristic of being exposed to the Greek banking system and were simultaneously also clients of at least one bank in Greece (which is the legal provision for their student residence in Greece);
- students were active users of social media communication channels.

Thus, the composition of the student body of this particular college allowed for a unique ability to capture the desired sample in one place, which was of great advantage for the successful conduct of this research. The university setting provided convenience in terms of the access to the target population, who would have been otherwise difficult to reach and recruit outside of the university context. The benefits of selecting the college population of students for the purposes of research on banking was highlighted by Nadiri et al (2009).

3.6.4.3 Participant recruitment

Having establishing sampling criteria that reflected the interests of this study, research proceeded with recruiting the participants for the focus groups. Participants were recruited both "on location" at the university campus, as well as using online communications. For in-person on-location recruitment, researcher approached students at the university library as well in intermission between classes. Participants were introduced to the research with a brief informing them on the topic of the research, its aims, why they were identified as population of interest, as well as what benefits they may expect from participating in focus groups (Krueger and Casey, 2000). This helped ensure their responsiveness to participate in the focus groups (Krueger and Casey, 2000).

For online-based recruitment tactic researcher obtained online mailing list of students from the administration. The list contained online contact information of 3rd-level students, Master-level students and doctoral students from the Business Administration and Psychology departments. Permission was obtained from the university administration to reach out the students with emails containing invitation to participate in this research. Students were not reimbursed for the participation in this research, but were offered the benefit of experiencing the focus group research method first-hand, as a practical supplement to their Research Methods courses, which are a part of the curricula.

As a result, 30 students in total took part in this study and 6 focus groups were conducted. Table 9 provides summary of the participants across focus group sessions. The sample consisted of both male (12 participants) and female (18 participants) students. Insights from the literature suggest that there is no significant difference in the use of online communications between genders; so higher ratio of female participants was not expected to influence the character of the findings (Perez-Carballo and Blaszczynski, 2011). Although Krueger and Casey (2009) suggest that in certain situations it is unwise to mix genders in focus group discussions, for the purposes of this specific research bank customers were seen as a uniform group. There is no evidence in the literature that banks in the SEE region utilized different marketing strategies based on gender. Hence, mixed gender composition was acceptable for this study. The practice proved that during the conduct of focus groups there were no notable differences or issues in how bank customers of different genders expressed their experiences and opinions regarding social media and relationships with banks.

The final sample consisted of the students from five countries of the SEE region (Albania, Greece, Kosovo, Romania and Serbia). It is important to note that although Kosovo was not included in the original sample of the SEE countries examined under the Observation Study and the case studies, students from Kosovo were permitted as participants to the focus groups. The rationale was based on the premise that these students were residing in Greece at the moment when the focus groups were conducted, and these students were the clients of banks in Greece. Their financial service providers belonged to the SEE-based and European networks of banks, which made their insights as clients relevant and in tune with this research. Therefore, their insights were equally valuable to this research. Students from Bulgaria and FYROM expressed lack of interest to participate in the focus groups, and therefore the final sample did not contain bank customers from these countries.

The composition of the final sample across the student body was as follows: 15 participants were students of MA in Business Administration, 6 in BA in Business

Administration, 6 in MA in Psychology and 3 were doctoral students in Psychology. All participants were clients of at least one bank in the region and regular users of social media. Please note that participants' affiliations with banks and their banks' names are not disclosed in this table, as a part of the data confidentiality agreement.

Table 9: Summary of focus group participants.

Focus group	Participant label	Gender	Age	Nationality	Level of studies
1	**P1**	Female	23	Romania	MA Business Administration
	P2	Female	22	Serbia	MA Business Administration
	P3	Female	22	Serbia	MA Business Administration
	P4	Male	22	Greece	MA Business Administration
	P5	Male	22	Kosovo	MA Business Administration
2	**P6**	Male	23	Serbia	MA Business Administration
	P7	Female	21	Kosovo	MA Business Administration
	P8	Female	24	Kosovo	MA Business Administration
	P9	Male	22	Greece	BA Business Administration
3	**P10**	Female	21	Romania	BA Business Administration
	P11	Female	21	Romania	BA Business Administration
	P12	Female	21	Romania	BA Business Administration
	P13	Male	21	Kosovo	BA Business Administration
4	**P14**	Female	22	Greece	MA Psychology
	P15	Male	22	Greece	MA Psychology
	P16	Female	29	Greece	MA Psychology
	P17	Female	23	Albania	MA Psychology
	P18	Female	22	Kosovo	MA Psychology
	P19	Female	24	Albania	MA Psychology
5	**P20**	Male	34	Greece	PhD Psychology
	P21	Female	32	Greece	PhD Psychology
	P22	Female	28	Greece	PhD Psychology
	P23	Male	21	Albania	BA Business Administration
	P24	Male	22	Kosovo	MA Business Administration

	P25	Male	22	Greece	MA Business Administration
	P26	Female	24	Greece	MA Business Administration
6	**P27**	Female	23	Kosovo	MA Business Administration
	P28	Male	24	Kosovo	MA Business Administration
	P29	Female	23	Greece	MA Business Administration
	P30	Male	23	Serbia	MA Business Administration

3.6.5 Data Collection

Data collection took place on three occasions: in January 2012, in June 2012 and in June 2014. The first two rounds took place within the same year, but with a 6-month discrepancy, with each period representing time prior to the end of a school semester. This timing yielded the best response rate, since attempts to recruit students to participate in the research throughout the school year did not result with success. The last round of data collection occurred at a notably later period, due to researcher's wish to include also a set of "fresh" data, collected not long before the final research report is submitted and the thesis is finalized, giving a chance for the possible new additional discoveries to emerge to complement the existing pool of data and findings. Additionally, focus groups conducted in June 2014 were valuable as they allowed the researcher to present to the participants the insights from the Observation Study and the case studies for debate and reflection.

The sizes of focus groups varied across sessions and included 4-7 participants. Literature does not offer an advice on the ideal number of focus group participants. Various authors advise on anywhere between 4 to 12 participants per session, depending on the participant profile, the purpose of the research and the accessibility and availability of participants (Krueger and Casey, 2009; Safari, 2012). Krueger and Casey (2000) warn that larger focus groups (10 participants or more) are difficult to control, and threaten to limit the abilities of individuals to share their opinions in a crowded social setting. Hence, smaller focus group sized applied in this research did not present such threats and allowed participants to contribute to the discussions liberally and with the substantial space for elaborations.

Groups included students of mixed nationalities. This provided a *"balance between having enough variation"* in the focus group composition (Krueger and

Casey, 2000, p. 73), but still allowed customer experiences from different countries of the region to emerge and be discussed, which was also one of the purposes of this study. The international diversity of the sample offered unique advantages for the study. By having young bank customers from different SEE countries participating in the same discussions it was possible to capture the similarities and differences in their experiences. Students were able to highlight areas of particular similarity or difference in marketing practices of the banks in their home countries and compare them. This type of diversity introduced a unique critical dimension to the discussions, which would not have been captured with alternative methods.

It is important to mention that students were equally and eagerly contributing to the development of discussions regardless of their nationalities. The homogeneity of their demographic characteristics (i.e. same age group, educational and socio-economic backgrounds, members of the same university, all active social media users) allowed them to feel comfortable sharing their thoughts and experiences during the focus group discussions (Vicsek, 2007). Already accustomed to studying and working together in the international college, students did not have any objections to the international composition of groups, and were eagerly and equally contributing to the development of the discussions (Vicsek, 2007).

Focus group interviews had semi-structured form. A questioning route with open-ended questions was used for the purpose of initiating and guiding the discussions. According to Krueger and Casey (2009) and Peterson and Barron (2007), it is important to prepare a focus group guideline in a form of questioning route, as it helps address issues relevant to the topic of the research interest, fosters consistency in academic research and aids in developing and guiding discussion from the general to the specific. Sample of the questioning guide used in focus groups is provided in Appendix D.

Funnel questioning technique (Mandel, 1974) was used, starting with general questions about participants' uses of social media and their interactions with brands and companies in the Web 2.0 setting, advancing to more specific questions about their experiences in retail banking, their views about marketing techniques used by banks, the nature of their interactions with banks in social media, and ultimately their relationships with banks. This helped develop discussion on otherwise quite complex and abstract topic of interactions in the virtual service setting, starting from the theme most familiar to participants (their everyday use of Facebook, Twitter, YouTube etc) to the more demanding topics (interactions and relations with banks). This sequence also allowed establishing grounds for comfortable discussion of an otherwise rather private topic (personal consumption of banking services) and creating a friendly and intimate atmosphere fruitful for the development of rich discussions. Similar approach was reported in the focus group study by Wang and Xiao (2009) tackling college student consumption of credit cards. Participants were encouraged to engage in in-depth discussions and to elaborate on their experiences, thoughts, opinions, expectations and ideas on the subject.

Researcher assumed the role of the moderator who administered and guided the focus group discussion with the participants. There are several advantages supporting the decision not to hire an independent moderator for this research. Firstly, the scope of this research is academic rather than industrial, and focus groups are conducted to obtain insights contributing to theory-building, rather than to obtain consumer views on new product prototypes or services for a company (Krueger and Casey, 2000). Researcher's in-depth knowledge on the subject of discussion, its parameters and background theory were valuable for guiding the focus group towards theoretical build-up. There was a danger that an independent moderator lacking this scope of familiarity with the topic would have guided the discussion one-dimensionally (Krueger and Casey, 2000).

Secondly, by undertaking the role of the focus group moderator, researcher was able to control the issues of rigor in focus group procedures and to ensure the systematic and verifiable process of data collection at an academic level (Krueger and Casey, 2000). Finally, by playing the role of the focus group moderator and witnessing the discussion firsthand, researcher was able to mentally identify patterns as they emerged, and to identify topics useful for subsequent analysis and interpretation. This experience allowed the researcher to truly immerse herself in the participants' views of the reality (Krueger and Casey, 2000). Finally, researcher kept a detailed record of the steps and procedures followed when preparing focus groups, so as to provide future readers a complete account of the processes for conducting focus groups. This measure contributes to the *"reader's reliability"* in the research processes and findings (DeRuyter and Scholl, 1998; Onwuegbuzie et al, 2009).

Focus group discussions lasted about 1.5 hours on average. Considering medium-to-small size of the focus groups, such duration of the discussions yielded sufficient time for participants to elaborate on their patterns of reasoning and to engage in interesting and fruitful discussions. Focus groups were conducted at the university premises in order to accommodate students in the environment that is familiar and non-distracting for them (Krueger and Casey, 2000).

As stated earlier, a total of six focus groups took place. Data collection was completed once focus group discussions started yielding repetitive insights, reaching the point of information saturation (Krueger and Casey, 2000). Safari (2012) observed that typically in case study research saturation occurs upon reaching four to six focus groups. Thus, saturation which was observed to occur by focus groups five and six was also sound from the perspective of the literature. Hence, there was no need for additional focus groups with the population of the same profile, as there would not have been likely to contribute to new or fresh insights.

All focus group sessions were audio-recorded with the consent of all participants. Audio-recordings were converted into digital files and used later for transcribing into written text form for subsequent analysis. The next section describes data analysis of focus group material in more detail.

3.6.6 Data Analysis

3.6.6.1 Incorporating Qualitative Data Analysis Software

The bases of the analysis were records and transcripts from 6 focus group sessions with the sample of 30 bank customers. All audio recordings of focus group sessions were transcribed verbatim right after the completion of each session (Krueger and Casey, 2009). The material yielded a total of 10 hours of audio recordings and 210 pages of transcripts. The text-based transcripts of the focus group sessions were used as the units of analysis (Krueger and Casey, 2009).

Qualitative data analysis employing thematic analysis was applied. This approach is essentially based on deconstructing and fragmenting blocks of textual data, categorizing material, identifying the underlying themes, exploring the conceptual and theoretical links between themes, and drawing assumptions about the studied phenomenon (Jones, 2007, p.65). Reduction, management and categorization of data into textual segments and smaller units of analysis through the process of *"decontextualizing and recontextualizing"* are pivotal in qualitative data analysis (Jones, 2007, p. 64). As Jones (2007) argued: *"Only through the sequence of gathering, sorting, coding, reclassification and comparison does raw data become useful and interesting"* (p. 64).

Due to the large volume of textual data, manual analysis proved to be too cumbersome and inefficient for analyzing data the from the focus groups. Therefore, in order to tackle the data of such volume, data analysis was performed with the aid of QSR NVivo qualitative data analysis software. Qualitative analysis software such as NVivo provides several advantages for the researchers in handling the process of the analysis. Qualitative data analysis software such as QSR NVivo is a computer-aided program designed specifically for the researchers utilizing qualitative research methods, and it helps organize, retrieve, and analyze qualitative data (Crowley et al, 2012; Jones, 2007; Hutchinson et al, 2010). Qualitative data analysis software typically offers three basic functions: data retrieval, provides tools for data coding, and, in more advanced versions, tools and functions assisting theory-building (Jones, 2007). Its functionality lies primarily in the ability to assist researchers in managing large amounts of textual data and in the flexibility in data processing. It facilitates the tasks of assigning the codes and the labels to the data, which is known to be a very cumbersome process using the manual "pen-and-paper" method, especially if dealing with large volume of text (Jones, 2007).

3.6.6.2 Benefits and criticism of software-aided qualitative data analysis

Qualitative research literature has been supportive of the use of a qualitative data analysis software in academic research for many years now (Denzin and Lincoln, 1998; Miles and Huberman, 1994; Patton, 2002; Silverman, 2001). Some of the main advantages of incorporating software in the qualitative data analysis include: faster process of inquiring into data (compared to manual pen-and-paper methods), and an efficient system for storing, retrieving, categorizing, coding, labeling and overall managing of the qualitative data (Blismas and Dainty, 2003; Jones, 2007). Software such as NVivo streamlines the repetitive processes of administering the codes and labels, segmenting and categorizing the text and processing the lengthy text-based material (Jones, 2007). Moreover, qualitative analysis software also aids in searching for specific thematic queries across the material for the purpose of drawing comparisons and constructing assumptions (Jones, 2007).

However, the implementation of the software-aided qualitative data analysis is also subjected to some criticism as well. As noted by Jones (2007), one of the main concerns raised by the opponents of the software-aided analysis is the risk of introducing *“methodological impurities”* by transferring data into the software and from extracting the theoretical abstractions through software manipulation (p. 69). In other words, the concern is to what extent the data analysis software drives the abstraction (Crowley et al, 2002). This rationale is usually based on the concerns that software-based data processing allows researchers to perform complicated analysis, but without fully understanding the principles of qualitative analysis (Hutchinson et al, 2010). Such arguments are usually based on the logic that the use of software is associated primarily with the quantification and the numerical processing of the data, which diverts from the purposes of the qualitative research (Jones, 2007). However, contemporary data analysis software such as NVivo is designed to cater specifically to the needs of the qualitative research. It gives researchers a plethora of tools, schemes and functions that extend far beyond data quantification, and cater specifically to the needs of the thematic and content analyses of the qualitative data (Jones, 2007).

Another popular point of criticism for the qualitative data software analysis is the perception that it distances the researcher from the data, by acting as a buffer between the material and the researcher (Crowley et al, 2002; Jones, 2007). As noted by Hutchinson et al (2010), opponents of the use of software-aided qualitative analysis often argue that the reliance on the software to analyze qualitative data makes the process rigid, *“casts a technological overlay on the data”* and diminishes the scope for reflection and interpretation (p. 291). It is a misconception to assume that by using the software, the process of the analysis is automated and is out of the researcher’s hands, as qualitative software analysis packages do not possess the elements of artificial intelligence (Crowley et al, 2002; Jones, 2007). Even with the aid of software, the researcher still needs to perform the data collection, to make decisions about the data organizations coding and the labeling strategies, and identify relevant themes by applying own logic and reasoning (Jones, 2007). Thus, researchers should not attempt to fit their research to correspond to the functionalities of the software, but should instead utilize the software to facilitate the data analysis (Hutchinson et al (2010).

3.6.6.3 How software was utilized in the analysis

The analysis was performed using QSR Nvivo 10 software, which is one of the most widely used programs for the qualitative data analysis (Crowley et al, 2002; Hutchinson et al, 2010). The choice of selecting this particular software over other alternative packages such as NUDIST, ATLAS or QDA Miner was based on software's accessibility (Crowley et al, 2002). QSR Nvivo was the only of the aforementioned software packages that was accessible to the researcher. The software has the interface of the functions similar to the programs in the Microsoft Office packages and an intuitive design, hence allowing the researcher an easy way to learn how to operate the software, which was an especially important advantage.

The process of the analysis began by transcribing the audio focus group recordings into text and by importing the text-based documents into the software. The import of material into software did not impact the original format of the documents, and no modifications were introduced automatically by the software itself. This was essential for preserving the sequence of the text in the documents and the verbatim narrative (Blismas and Dainty, 2003). Once imported, the documents were grouped under the same project name and labeled to signify different focus group sessions and data sources.

The documents were further processed one-by-one through the coding activity of. assigning "nodes". A node represents a code which is tied to a specific unit of text as a reference (Crowley et al, 2002; Jones, 2007). Each node contained a title and a brief description of its purpose in order to facilitate the identification of nodes in the analysis. Nodes were grouped into the "parent" and "children" nodes, in order to provide a structure between more generic and highly specific data and underlying categories and themes. As a result, a tier-based hierarchical structure emerged with an information about how nodes were categorized, the number of references in each node, as well as the sources of the references (references to focus groups) (Crowley et al, 2002).

The first layer of the analysis involved assigning the participant-related nodes in the text, based on the narrative of each participant (e.g. P1, P2,P3 etc.) in order to track the logic of each participant's responses throughout discussions. This enabled to explore the rationale of arguments raised by the participants and explore various facets of the information provided by each participant. This helped explain the particular logic and reasoning in the arguments provided by each participant (Jones, 2007). According to Hutchinson et al (2010), such approaches "facilitate future analytical procedures such as asking questions of the data and making constant comparisons to advance theoretical development" (p. 289).

Furthermore, the text was processed following the principles and steps of thematic analysis (Vaismoradi et al, 2013). Thematic analysis was applied on the data from the focus group discussions (Owuengbuzie et al., 2009). Details of the thematic analysis are described earlier in the chapter under the Data Analysis section in Case Studies. Data was sorted across codes and categories, from which emerging themes and concepts were developed (Owuengbuzie et al., 2009). Text was re-processed with the aim to identify the main categories and to also identify the themes across categories (Hutchinson et al, 2010). New nodes were emerging from the data, and so the labeling and the structure of the nodes was based on the data rather than on the pre-determined criteria (Hutchinson et al, 2010; Jones, 2007). It is important to note that automatic function of the software for coding was not utilized, and that codes were assigned by the researcher herself manually, utilizing the tools provided by the software (Jones, 2007). The functionality of the NVivo software allowed going back-and-forth across the text and changing assignment of nodes if needed or to discover new themes and label them with more specific nodes (Hutchinson et al, 2010).

Once the text was processed and the nodes were assigned, researcher reviewed the structure and the content of the nodes to observe for possible duplications and refinement, in accordance to the thematic analysis processes (Vaismoradi et al, 2013). Emergence of common themes across focus groups discussions was examined to ensure theoretical saturation (Vicsek. 2007; Owuengbuzie et al., 2009). The emergent insights were compared and contrasted with the literature in order to monitor the overlaps with the existing knowledge, as well as to highlight the new and original concepts and patterns.

It should be noted here that the use of software in the analysis of the focus group data did not extend beyond the thematic analysis. As noted by Crowley et al

(2002), *"the researcher is not a hostage to qualitative software"* (p. 195), and was thus able to execute the liberty to apply software in the areas of analysis where it made sense. Researcher used software primarily to facilitate the process of data management, categorization and retrieval across codes and categories for the purpose of identifying the underlying themes (Crowley et al, 2002). The functionalities of NVivo pertaining to the use of coding queries, such as word frequency, matrix coding or compound queries, were not utilized (Hutchinson et al, 2010). Instead, researcher utilized extensively the functionality of model creation for the visual representation of the concepts and themes and for the summaries of the findings (Hutchinson et al, 2010), the outcomes of which are illustrated in Chapter 6.

As the outcome of the data analysis, a system of themes constructing the customer outlook on the role of social media in banking and relationships with financial service providers emerged. Each area branched into divisions containing detailed accounts of the multiple concepts that in the mindset of bank customers shaped the key constructs pertaining to the research topics. Finally, a report on the findings from the analysis was produced, illustrating the conceptual building blocks of the reality of relations with banks, as experienced by young bank customers (please refer to Chapter 6 for detailed account of the findings).

3.7 Ensuring quality in qualitative research

Previous sections in this chapter described in detail the questions and objectives of this research, the nature of the inquiry, chosen research approach, the premises of the research design and the methods applied in order to build the knowledge and to pursue theoretical advancements. This section addresses the approaches, strategies and processes undertaken to ensure the quality of the research.

The challenge of justifying the worth of the qualitative research and the truthfulness of its findings is tackled by applying the criteria of soundness tailored specifically for the qualitative research. Critics of qualitative research often accuse the qualitative approach and design of being manipulative, and fostering the environment where the findings are speculative rather than precise and where research is driven by the researcher's personal agenda (Morgan and Smircich, 1980). Data analysis is considered to be especially the "Achilles' heel" in qualitative research and one of the most sensitive moments, as qualitative researchers often tend to be overly vague about the measures of rigor applied (Gummesson, 2005).

When embarking on an academic research using qualitative approach, it is important to acknowledge the key premises of the qualitative research. Firstly, the focus in qualitative research lies primarily on the attempts to understand the phenomena, rather than to measure or manipulate the variables constructing them (Hogg and Maclaren, 2008). The emphasis is on the contextual (rather than general) manifestation of the phenomena and on the interpretation of how phenomena are understood in the specific context (Golafshani, 2003; Hogg and Maclaren, 2008). Furthermore, the premise is that *"the researcher is the instrument"* (Golafshani, 2003; Patton, 2002), thus credibility of the research is tightly linked to the abilities and the effort of the researcher to articulate and justify the strategies undertaken in developing the knowledge.

Proponents of the qualitative research strongly argue that the assessment of qualitative research quality via concepts such as validity (i.e. whether the means of measurement are accurate and measure what was intended) and reliability (i.e. whether the results are replicable) is inherently contradicting to the premises of the qualitative research philosophy. These quality concepts adhere to the positivist research tradition and are inadequate for the purposes of supporting and defending the qualitative efforts (Golafshani, 2003; Lincoln and Guba, 1985). *"The concept of reliability is even misleading in qualitative research. If a qualitative study is discussed with reliability as a criterion, the consequence is rather that the study is no good"* (Stenbacka, 2001, p. 552). Thus, it is argued that qualitative research should not be subjected to the examination of its value through the constructs of actuality, objectivity, deduction, generalization or mathematical factuality, as by definition qualitative research does not claim to address these concepts (Golafshani, 2003). Instead, qualitative research should be viewed through the constructs of precision, credibility, trustworthiness, transferability, dependability, applicability and other concepts dedicated to tackle specifically the particularities of qualitative inquiry for establishing the confidence in the qualitative findings (Golafshani, 2003; Lincoln and Guba, 1985).

One of the most cited works on the concepts designated for ensuring the quality of the qualitative research is the framework proposed by Lincoln and Guba (1985) (Bowen, 2005; Cresswell and Miller, 2000; Golafshani, 2003; Merriam, 1995; Morse et al, 2002; Patton, 2002). Lincoln and Guba (1985) proposed that the quality of qualitative research should be evaluated by examining the following aspects:

- *Credibility*: confidence in the truthfulness of the findings;
- *Transferability*: demonstrating the applicability of the findings in other contexts;
- *Dependability*: demonstrating the consistency of findings and the likelihood of finding to be repeated by other researchers;
- *Confirmability*: the extent to which the findings are shaped by the participants and the data, rather than by researcher's own motives, assumptions and bias.

One of the key concerns in qualitative research is assuring the credibility. In order to ensure the credibility of this research, several techniques and approaches were applied. One of the main attempts to ensure credibility was to embed triangulation in the research design. Triangulation is defined as a technique of incorporating multiple methods and data sources to generate the knowledge. Triangulation can also include introducing multiple investigators to the research, as well as using various theoretical schemes to interpret the findings (Denzin, 2006). The purpose of these techniques is to help ensure that the interpretations emerging from the research are rich, comprehensive, well-developed and robust (Lincoln and Guba, 1985; Patton, 2002).

Research design accommodated triangulation in several manners. Firstly, design was based on three interrelated studies, involving different qualitative methods: case studies, focus groups, as well as the observation study (Lincoln and Guba, 1985; Miles and Huberman, 1994). Observation study involving web-based research of the social media pages by banks allowed the researcher to establish a pool of insights that complemented the data gathered in the case studies. When it was not possible to conduct additional interviews with managers for the purposes of creating a longitudinal study, web-based observational inquiry about the state of the social media uptake among banks served as a complementary source of information for building the cases and expanding the analysis (Riege, 2003). Furthermore, while case studies were based on the insights obtained from bank managers and documentation, the observation study was based on a separately-run web-based inquiry. This allowed the researcher to check the consistency of the findings, as well as draw comparisons between the reality as perceived by managers and the reality of what was occurring in social media pages of the banks (Riege, 2003). Thus, it also served as the means to enable corroboration of insights.

Secondly, the design incorporated also focus group-based, study addressing the perspectives of consumers about the role of social media in banking. The sampling strategy for the focus groups involved young bank customer population. This strategy was largely based on the insights obtained from the case studies and managers' assumptions about the kind of population most adequate for targeting via social media. Furthermore, the inclusion of focus groups allowed to compare the findings with those generated from the case studies. This contributed to a more comprehensive understanding of the phenomenon, as it provided space for discussion about how the phenomenon of social media in banking was perceived by those directly involved in its deployment (bank managers) and those directly affected by its implementation (customers).

Thirdly, the observation study and the focus groups study were also interrelated. The insights from the observation study helped understand some of the assumptions and premises held by consumers regarding the scope of social media use by banks in the region.

Finally, triangulation was also observed within the case studies' design, whereby the data was gathered from multiple sources (interviews, documentation, web-based observations) in order to construct the case studies (Riege, 2003).

Apart from triangulation, multiple other measures were also incorporated to ensure the soundness of the research design and conduct. Table 10 summarizes some of the commonly proposed measures and constructs found in the literature for assuring the soundness of the qualitative research, throughout research design, execution and analysis. The table also summarizes how these techniques were applied in this research. The techniques were adopted from the works of Bowen (2005), Denzin (2006), Lincoln and Guba (1985), Patton, (2002), Miles and Huberman (1994) and Riege (2003).

Table 10: Constructs for assuring quality of qualitative research.

Techniques for ensuring credibility, transferability, dependability and confirmability	*How techniques were applied in this research*
Triangulation – Incorporating multiple methods and data sources in generating data, and can also include introducing multiple investigrators in the conduct of research as well as using various theoretical schemes to interpret the findings (Bowen, 2005; Denzin, 2006; Lincoln and Guba, 1985; Patton, 2002; Riege, 2003)	Mixed method design and multiple sources of data were incorporated: - case studies, - observation study and - focus groups In data collection for the observation study, researcher gathered data from various sources, including banks' official web-pages as well as banks' official pages on social media in order to ensure consistency and accuracy of data. For the construct of case studies multiple data sources were used: - interviews with managers - documentation collection - insights from observation study
Negative case analysis – Explore instances in data which do not support or contradict emerging patterns from data analysis for the purpose of revising and broadening emerging insights (Bowen, 2005) Eisenhardt, 1989; Lincoln and Guba, 1985; Patton, 2002; Yin, 2003)	Multiple case study design consisted of two banks who adopted social media (literal replication) and one bank without social media presence (theoretical replication)
Member-checking – Sharing data interpretations and conclusions back with participants from whom data was originally obtained in order to assess the aaccuracy of interpretations and generating possible additional insights (Bowen, 2005; Lincoln and Guba, 1985; Riege, 2003; Yin, 2003)	As data was analyzed and interpreted, researcher performed perpetual checks with research participants (managers in case studies and consumers in focus groups) on whether their statements were interpreted correctly (whether they communicated the meaning that participants originally intended to), as well as to confirm the accuracy of the statements used as direct quotes in the findings of the reports.
Prolonged engagement – Speding sufficient time in the field to fully grasp the understanding of the phenomenon and rise above researcher's own preconceptopns; achieved by establishing trust and rapport with repondents and observing various aspects of a setting (Bowen, 2005; Silverman, 2001)	The conduct of interviews and focus groups was performed over the span of one and two years, repectively, which gave researcher sufficient time to establish rapport with the participts. The conduct of observation study also had a longitudinal format, spanning for 2,5 years, allowing the researcher to become immensed in data collection and analysis.
Peer debriefing – Expose research rationale, findings and assuptions to peers not involved in the study for the purpose of exploring the rationality and plausibility of assumptions in the eyes of others and identifying areas that require stronger support or	Research approach, design, data collection and analysis strategies as well as research findings were presented to researcher's supervisors for consultation throughout the duration of research. Researcher presented her studies in academic research conferences where she obtained valuable feedback from the relevant academic community regarding research design as

more explicit explanations (Bowen, 2005; Lincoln and Guba, 1985; Reige, 2003)	well as on the preliminary findings from the case studies and observation study. [1],[2],[3],[4],[5] Finally, parts of this research (debate on the value of qualitative research as well as part of the preliminary findings from case studies) were published in peer-reviewed academic journals which serves to support the trustworthiness of research. [6],[7]
Thick description – Detailed account of the phenomenon and field experiences to evaluate the extent to which conclusions can be transferred to other settings, situations, population and time (Lincoln and Guba, 1985; Reige, 2003)	Findings presented in this thesis are explained with great detail in order to allow readers to draw their own conclusions about the extent of transferability. Thick description includes rich text accompanied by charts, figures and models as well as emic approach of presenting findings (Friedman *et al*, 2012), using direct quotes by research participants in their orifinal form, which allows the reader to grasp the phenomenon as experienced by the subjects of the study.
Audit trail – Transaprent and detailed description of steps and processes undertaken in research design, data collection, data analysis and interpretation, explaining the rational of how	The Methodology chapter in this thesis is dedicated specifically to explaining the detail the rationale of research approach and design and provides ste-by-step explanantion of sampling, data collection and data analysis strategies applied.

[1] Mitic, M., and Kapoulas, A. (2010) Web 2.0 Communications in RM Practice of Financial Service Institutions: Exploring the Opportunities and Challenges for Retail Banking in SEE Region in *Proceedings of the 3rd Annual EuroMed Conference of the EuroMed Academy of Business*, *Nicosia, Cyprus, October 2010*, EuroMed Press, Nicosia, pp. 1420–1422.

[2] Kapoulas, A., and Mitic, M. (2010) The Voyage of Qualitative Researcher: Insights on the Experience of Interpretivism in Marketing Research, *in Proceedings of the 3rd Annual EuroMed Conference of the EuroMed Academy of Business, Nicosia, Cyprus, October 2010*, EuroMed Press, Nicosia, pp. 553–566.

[3] Mitic, M., and Kapoulas, A. (2010) Scope for Implementing Web 2.0 Communications in RM Strategies by Financial Institutions: Opportunities for South-Eastern Europe, in *Proceedings Of the 5th Annual South East European Doctoral Student Conference*, *Thessaloniki, Greece, 2010*, South-East European Research Centre (SEERC),Thessaloniki, pp. 123–142.

[4] Mitic., M., and Kapoulas, A. (2012) Insights on the social media uptake by retail banks in the South-East Europe, in *Proceedings of International Conference on Contemporary Marketing Issues (ICCMI), Thessaloniki, Greece, June 2012,* International Conference on Contemporary Marketing Issues (ICCMI), Thessaloniki, pp. 418-423.

[5] Mitic., M., and Kapoulas, A. (2011) Social media engagement of retail banking organizations in SEE: Analysis of online presence and Web 2.0 initiatives, in *Proceedings of the 6th Annual South-East European Doctoral Student Conference, Thessaloniki, Greece, June 2011,* South-East European Research Centre, Thessaloniki, pp. 104-109.

[6] Mitic, M., and Kapoulas, A. (2012) Understanding the role of social media in bank marketing, *Marketing Intelligence & Planning,* Vol. 30 No. 7, pp.668 – 686.

[7] Kapoulas, A., and Mitic, M. (2012) Understanding challenges of qualitative research: rhetorical issues and reality traps, Qualitative Market Research: An International Journal, Vol. 15 No.4, pp. 354 – 368.

research was developed and conducted (Lincoln and Guba, 1985; Reige, 2003)	Explanations are accompanied with relevant charts and figures that illustrate the research design and to summarize the approaches. Appendices include excerpts from data collection and analysis that provide examples of how research was conducted: - questioning guides for interviews and focus groups, - data sheets from the observations tudy, - sample of summary sheet from one of the interviews in case studies.
Referential adequacy – Part of the confirmability audit, it entails retention of raw data for further inspection by external auditor where necessary (Lincoln and Guba, 1985; Riege, 2003)	All interview and focus groups recordings, transcripts and analysis material are preserved in their original form and saved for future retrieval. Data collected and used on observation analysis is also saved and stored.
Reflexivity – Acknowledgement of researcher's perspectives, positions, values and beleifs pertaining to research which can explain the context of knowledge construction (Lincoln and Guba, 1985; Riege, 2003)	Research Approach section of this chapter reports on researcher's ontological and epistemological beliefs in order to provide context to how research was designed.

The inclusion of theses measures in the research design, as well as throughout research conduct is believed to have aided the assessment of the credibility, transferability, dependability and the confirmability of the research efforts presented in this thesis.

In the next chapters the thesis further continues with the presentation of the findings and the outcomes from the studies described in this chapter.

Chapter 4: State of Social Media Uptake by Banks in the SEE Region

4.1 Overview of this chapter

The following chapter presents an overview of the findings from the study analyzing the progression of social media uptake among banks in the countries of the SEE region during the 2012-2014 period. The purpose of this chapter is to provide insights into the state of social media adoption among banks in the region and to shed the light on the scope of banks' activities in the Web 2.0 domain. This is a necessary undertaking as (to author's knowledge) there is no other account in the relevant academic literature which depicts in detail the specificities of when, how, and where banks in this region have initiated marketing activities in social media. Thus, the value of this chapter is in mapping out banks' engagement in social media and illustrating its dynamics, for the sake of providing a backdrop for further discussion on the significance of social media to bank marketing and relationships with customers.

This study is based on the analysis of data collected from banks' official pages in social media, giving a snapshot of banks' activities over the designated period of time. The basis of analysis was the data recorded over the 2012-2014 period. The initial sample for this study included 141 banks (17 in Albania; 25 in Bulgaria; 16 in FYROM; 20 in Greece; 30 in Romania; 33 in Serbia). However, due to the dynamic changes that have taken place in the composition of the retail banking market in SEE in 2012 and 2013 (i.e. termination of banks' businesses in one country or across the whole region, mergers with other banks, new banks established or entering the market), the number of retail banks was reduced to 127 in total by January 2014. These include 16 in Albania; 25 in Bulgaria; 15 in FYROM; 11 in Greece; 30 in Romania; 30 in Serbia.

The presentation of findings follows a chronological order, starting with the state of social media uptake across banks and countries in 2012, followed by findings depicting social media presence in 2013 and 2014. This is followed by a discussion on the similarities and differences in the scope of social media activities among banks, leading to conclusions about the Web 2.0 trends in the region.

4.2 Social media uptake in 2012

4.2.1 Levels of social media uptake in 2012

Table 11 provides a summary of the levels of social media uptake in 2012 and how many banks belonged to each level at that point of time.

Table 11: Levels of social media uptake in 2012.

Level of adoption	Number of banks	Percentage
No social media presence	68	48%
Presence in just one social media site	25	18%
Presence in two social media sites	25	18%
Presence in three social media sites	13	9%
Presence in four or more social media sites	10	7%
Total	141	100%

In 2012, social media was still largely an under-explored area of online marketing for banks in the SEE region. 48% of banks had no official forms of presence in any of the mainstream social media channels, abstaining from the adoption of the Web 2.0 trend. Among banks that pioneered social media adoption at the time, the most widespread form of the social media uptake was via presence in one or two social media sites (18% of cases in each category). This suggests that in 2012 majority of Web 2.0-active banks were in the early stage of social media engagement, cautiously establishing presence in one or two of the most popular social media platforms as a way of testing the waters and the possibilities for interactive communications via digital media. Figure 6 illustrates the breakdown of social medial uptake and the type of social media presence among banks in 2012.

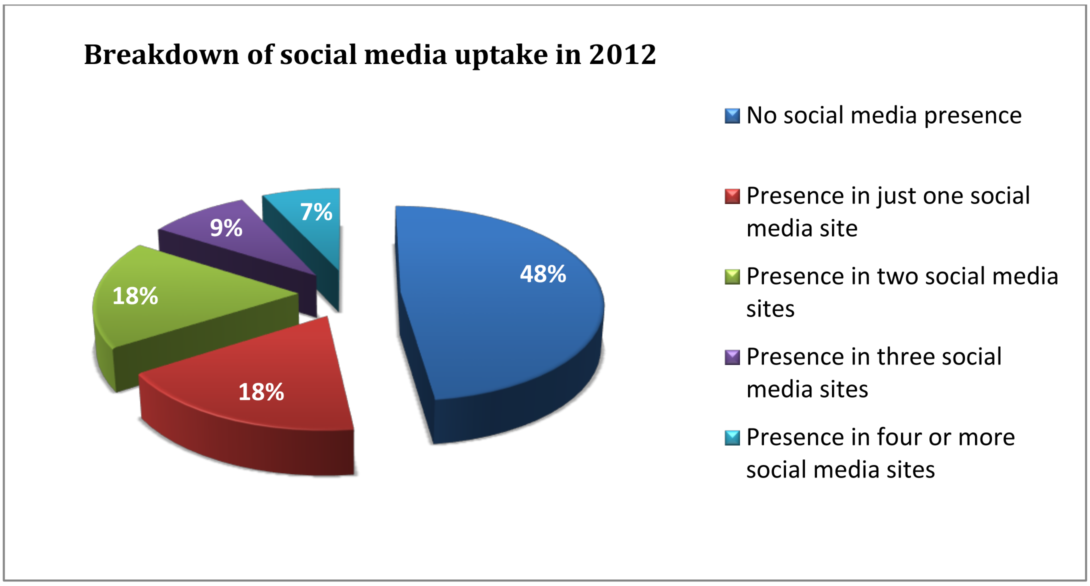


Figure 6: Breakdown of social media presence among banks in 2012.

Only a small number of banks displayed adoption of social media that spanned across three or more Web 2.0 platforms (9% and 7% respectively), indicating that wide-scale involvement in social media was not a mainstream trend in 2012 among banks in the region, but rather an advancement of a few innovative market players.

Among banks in the category of *"presence via only one social media site"* the most popular platform was Facebook, where 68% of banks at this level of social media adoption chose to establish presence. YouTube was the second most popular choice among one-site-only adopters, with 24% of banks choosing the video sharing platform as their primary sole outlet for social media activities. Only 8% of banks in this segment opted for Twitter as their sole form of social media presence. It can be suggested that banks in the region were generally in line with the global trend of corporate engagement in social media, with companies preferring to establish their grounds in Web 2.0 domain via channels that enjoyed the greatest volume and frequency of visits among general population (i.e. Facebook, Twitter and YouTube).

In the segment of banks which fell into the category *"presence in two social media sites"* (18% of the total bank population) the most popular pairing was Facebook with YouTube, where 44% of banks in this category had presence. This was followed by banks pairing Facebook with Twitter (36%) and Twitter with YouTube (20%). In the category of banks with social media presence spanning across three platforms, the predominant combination (92% of cases in this segment) included adoption of Facebook, Twitter and YouTube simultaneously. For majority of banks in the segment with *"presence in four or more social media sites",* activities in Facebook, Twitter and YouTube were a constant or a base to which additional sites were added, such as LinkedIn, Google Plus, blogs, Flickr etc. Nevertheless, such broad-spectrum range of social media activities was observed for a very small portion of the banks (only 7% of all banks in the region), which suggests that in 2012 there was still no readiness in the banking sector to extend the value of social media engagement to multiple platforms.

4.2.2 Levels of uptake across countries in 2012

The breakdown of social media uptake in 2012 across countries is presented in Table 12.Table illustrates the levels and categories of social media uptake by banks in 6 countries of the sample. The share of each category in reference to the total sample is provided in far right column for reflection (the numbers in the column do not represent the average per category across countries, but a share for each category for the total sample of banks).

Table 12: Breakdown of banks' social media uptake across countries in 2012.

Level of adoption	Country						
	Albania	Bulgaria	FYROM	Greece	Romania	Serbia	Total
No social media presence	47%	48%	50%	55%	40%	52%	48%
Presence in just one social media site	23%	20%	25%	15%	16%	12%	18%
Presence in two social media sites	18%	12%	25%	10%	27%	15%	18%
Presence in three social media sites	12%	8%	0%	10%	10%	12%	9%
Presence in four or more social media sites	0%	12%	0%	10%	7%	9%	7%
							100%

According to data collected for 2012, banks in Romania displayed what can be characterized as the most advanced rate of social media uptake in the region, with the lowest rate of social media inactivity at 40% and highest collective rate of multi-site presence at 44% (sum of presence in two, three, four and more sites).

In contrast, banks in Greece and Serbia had some of the highest rates of inactivity in social media, with 55% and 52% of banks abstaining from any form of social media in each country respectively. Similar trend could be observed in FYROM, Bulgaria and Albania, where social media adoption was observed for a half or a little less than a half of banks in each country. This shows that in 2012 there was a balance among banks abstaining from Web 2.0 activities and those exploring the possibilities of interactive digital communications. The similarities in distribution between adopters and non-adopters across countries suggests that there was a common trend in the region for banks to start exploring social media and their potential for online marketing.

Another interesting remark about the state of social media adoption among banks in 2012 comes from the observation of distribution of levels of adoption among Web 2.0-active banks. In 5 out of 6 countries the sum of multi-channel presence distribution outweighed single-site presence. The most drastic example was Romania, where 16% of banks had only one social platform page, compared to a total of 44% of banks with multiple platform presence. Similar trend was observed for Greece, Serbia, Bulgaria and Albania, where the volume of banks active in multiple sites almost doubled those active in only one Web 2.0 medium. (The only exception was FYROM, where one-site and multi-site presence was at balance with 25% of banks in each level of uptake.) It is also interesting to note that *"presence in two social media sites"* was the most common level of multi-channel uptake among countries in the sample. Thus, although roughly half of the banks in the region were active in social media, predominant volume of early adopters was already experimenting with presence across multiple sites. This implies that although at nascent stage, the trend of social media adoption was pursued vigorously among pioneers in the region.

The most reserved span of social media activities was observed among banks in FYROM. In 2012 FYROM did not have a single case of a bank with social media presence spanning across three or more social media sites. In comparison to other countries in the sample, banks in FYROM were the only ones where presence was limited to either one or two social media platforms, leaving multi-channel diversified activities largely unexplored. Thus, although on average banks in the region shared similar trends in terms of shares of adopters versus non-adopters, the strength of the pulse of social media activities differed from country to country, with FYROM and Romania exemplifying the opposing poles of the trend in 2012.

Banks in Greece demonstrated more balanced multi-site approach to adoption, where presence in two, three and four and more sites was distributed equally at 10% for each level among active banks. Banks in Greece also had the highest share in the region regarding presence in four and more social media sites. Thus it can be speculated that by mid-2012 Greece had achieved the most balanced distribution of Web 2.0 activities across various levels.

4.2.3 Popular social media sites among banks in 2012

In 2012 52% if all banks have some form of social media uptake via one or several social media sites. Figure 7 demonstrates the scale of uptake of popular social platforms in regards to the whole sample of the banks in 2012 (141 banks).

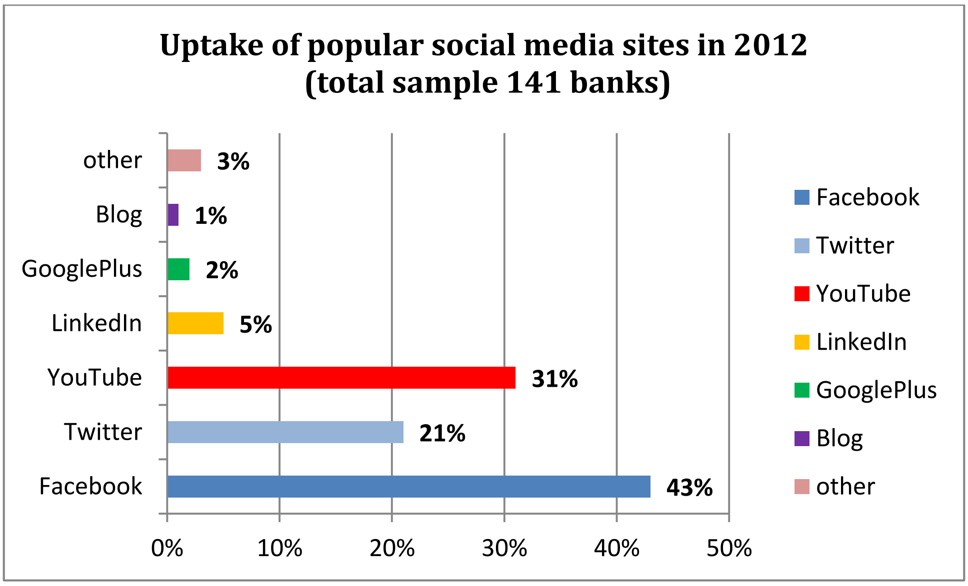


Figure 7: Uptake of popular social media sites among banks in 2012.

Facebook was the most popular choice among banks in 2012, with 43% of all banks having established official accounts in this networking platform. Surprisingly, the second most common platform among banks in the region was YouTube, where 31% of all banks had an official channel with video uploads, overpassing the adoption of Twitter, which enjoyed popularity among only 21% of all banks.

Possible explanation for the greater share of YouTube adoption over Twitter in 2012 among banks in the region could be found in the observation that the mode of operating YouTube channels for banks was more simplistic and less effort demanding than running Twitter. Namely, common practice for banks in the region at the time was to simply upload their existing TV ad spots to their YouTube channels. Popular strategy among banks chiefly consisted of using the already available promotional video material and to repurpose it in order to populate YouTube content. For majority of banks this was a one-off activity, consisting of uploading the videos and sharing them across banks' other online pages (e.g. bank's Facebook page, official website, blog etc.). The investments were minimal, since banks were not creating new content specifically and exclusively designated for YouTube or managing feedback from the YouTube community (i.e. the comment section). This allowed banks to use YouTube as a form for establishing social media presence with relative speed and ease. In comparison, Twitter demands creation of fresh content in the form of frequent Tweet updates and active interaction with the followers and the content, which is a greater workload for companies who wish to successfully operate this social platform. Thus, it could be suggested that the strategy for banks in this period was to use YouTube as less effort-demanding outlet to mark their territory in social media. This way, a baseline for further, possibly more elaborate social media engagement was established, without major investments or commitments in content production and management.

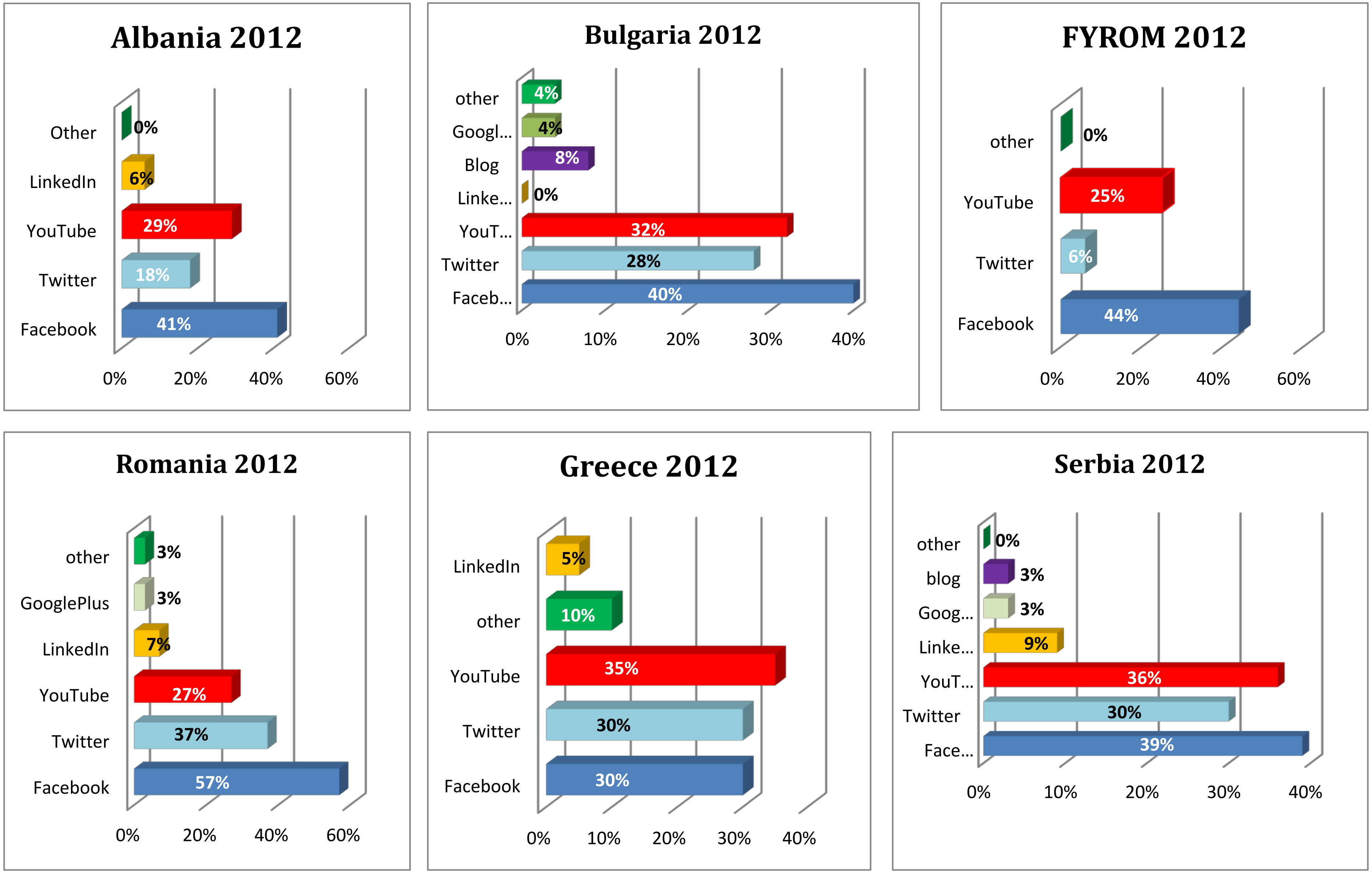
Finally, very small percentage of all banks in the region (5% and less) had presence in social media sites such as LinkedIn, Google Plus, blogs and other platforms. Presence in these sites was common for the groups of banks active across three or more social media sites (which represented 7-9% of all bank population). In 2012 there was no case of a bank which utilized LinkedIn, Google Plus, blog or any other less-mainstream social media platform as the basis of their Web 2.0 presence (i.e. no bank had presence in these social sites without also having the presence in Facebook, YouTube and/or Twitter). Thus, it can be suggested that these social media were regarded by banks as complementary activities to their social media "core", consisting of Facebook, Twitter and/or YouTube and were mostly sought by banks which wished to explore further broader and more diversified scope of Web 2.0 engagement.

Illustrated below are the charts that break down the scale of popular social media sites adoptions among banks in 6 countries of the sample Figure 8. (Note that percentages reflect popularity of sites only among banks active in social media, not the entire sample of banks in the region.)

In five out of six countries of the sample (Albania, Bulgaria, FYROM, Romania and Serbia) Facebook was the most popular social network among banks. Banks in Romania displayed the highest rate of Facebook adoption; with 57% of banks in this country having presence in this site (17% of banks had Facebook as the sole form of Web 2.0 engagement). The lowest rate of Facebook adoption was noted among banks in Greece (30%), where Facebook was predominantly used in combination with other social media sites such as Twitter and YouTube in uptake levels across two-, three- and four and more categories. Thus, for banks already active in social media by 2012 Facebook was not a novelty, but a prominent choice for establishing social media presence.

As mentioned earlier in this section, Twitter held the position of the 3rd most popular Web 2.0 platform among banks in the region. Banks in Romania lead the adoption of Twitter with 37% of uptake, whereby in all cases Twitter was part of the multi-channel engagement strategy. Romania was also the only country in the sample where adoption of Twitter outperformed adoption of YouTube. The lowest rate of Twitter adoption was noted in FYROM, where only one bank in 2012 had an official account, used in combination with Facebook. Interestingly, only 2 banks of the whole sample (1 in Bulgaria and 1 in Greece) opted for Twitter a sole outlet of social media presence; in all other cases Twitter was used alongside other sites such as Facebook, YouTube etc. This suggests that in 2012 Twitter was mostly used by banks which already demonstrated advanced grasp of social media engagement, and was not a popular mode of entry into Web 2.0 sphere of communications for newcomers.

Figure 8: Uptake of popular social media sites by banks across countries in 2012.



YouTube was the 2nd most popular platform for banks active in social media in 2012. The highest rate of YouTube uptake was noted among banks in Serbia (36%) and the lowest in FYROM (25%). In 6 cases banks opted for YouTube as their only form of social media presence (banks in Albania, FYROM, Greece and Serbia). In majority of cases YouTube was part of the multi-site adoption strategy: 64% in two-site level of adoption category, 92% in three-site adoption category and a prominent fixture in all cases of activities across four and more sites. Interestingly, in Greece YouTube captured the largest share of social media uptake among popular channels, outperforming Facebook and Twitter. The popular mode of YouTube application among banks discussed earlier could sever as a possible explanation to the popularity of this video-sharing platform among banks in the region.

Other social media platforms enjoyed significantly lower popularity among banks in the SEE countries in 2012. For instance, social media adoption among banks in FYROM did not extend beyond Facebook, YouTube and Twitter, and there were no activities in other platforms. LinkedIn was adopted by banks in Albania, Greece, Romania and Serbia, at the highest rate of 9% among banks in Serbia. This could be ascribed to the observation that LinkedIn is primarily designed for networking purposes among professionals and for job-search activities; therefore banks in the SEE region probably estimated low value from engaging with publics in LinkedIn in this early stage of social media adoption.

Evidence of activities in Google Plus was observed among banks in Bulgaria, Romania and Serbia, albeit at very low rates at 3-4%. Both LinkedIn and Google Plus were adopted by banks as a part of their multi-channel (three- and four- or more site levels) strategies complementing activities in Facebook, Twitter and/or YouTube. Only banks in Bulgaria and Serbia demonstrated blogging activities, with 8% and 3% of banks in each country respectively having corporate blogs. Activities in platforms such as Flickr, Delicious, local country-based networking sites and mobile apps were noted among banks in Bulgaria, Greece and Romania, albeit at low rates of 3-10%. In all instances these sites were complementing the “base” of presence in Facebook, Twitter and YouTube. Banks in Greece demonstrated the highest rate of adoption of these complementary social sites (10%), which could be attributed to the diversification practice of Piraeus Bank and its only counterpart WIN Bank – the leaders of social media activities in Greece in 2012.

More detailed account of social media uptake across the types of banks follows in the next section.

4.2.4 Social media presence across types of banks in 2012

Breakdown of the levels of social media uptake across the types of banks is presented in the Table 13. Banks were segmented into the following groups:

1) domestic banks (banks operating only in their home countries, e.g. Libra Bank Romania),
2) SEE networks (banks originating from one of the countries in the sample and with presence across the region, e.g. Alpha Bank from Greece with presence in Albania, Bulgaria, FYROM, Greece, Romania and Serbia),
3) European multinational bank groups (bank networks originating from countries in Europe other than SEE and with presence across Europe and SEE region, e.g. Raiffeisen Bank from Austria),
4) Global multinational bank groups (bank networks with operations across multiple continents, e.g. Citibank).

The purpose of this segmentation was to discover whether there are any notable patterns of social media adoption that have origins in the type of bank and its scope of business.

In mid-2012, the retail banking market in the countries of the SEE sample consisted of 33% of domestic banks, 28% of banks with origins and activities predominantly in the SEE region, 33% of European multinational banks and 6% of banks belonging to large global banking groups. Matrix in the Table 13 presents a breakdown of the levels of social media uptake across typologies of banks in the region.

Among banks abstaining from social media engagement (48% of the total sample) there were no major differences among domestic, SEE or European banks, each group contributing 15% to the total segment of inactive banks. Thus, there were no visible differences in non-adoption trends among types of banks based on the numerical data. About 3% of global banking brands also abstained from social media activities, which was a half of all banks in this group.

Table 13: Breakdown of banks' level of social media presence across bank types in 2012.

Level of adoption	Domestic banks	SEE bank network	European MNEs	Global MNEs	Total
Banks with no social media presence	15%	15%	15%	3%	**48%**
Present in just one social media site	8%	3%	6%	1%	**18%**
Present in two social media sites	6%	6%	4%	2%	**18%**
Present in three social media sites	2%	3%	4%	0%	**9%**
Present in four or more social media sites	2%	1%	4%	0%	**7%**
Total	**33%**	**28%**	**33%**	**6%**	**100%**

Among banks with *"presence in only one social media site"* domestic banks were leading at 8% (primarily in Bulgaria and Serbia), followed closely by European banks at 6%. Despite small difference, this could suggest that domestic banks displayed more restrained approach to social media, experimenting more with one-channel adoption strategy in the early phase of Web 2.0 uptake.

In comparison, taking into account the sum of all forms of multi-channel presence, European banks were leading with a combined 12% share of presence in two and more sites (compared to collective 10% for domestic and SEE banks and 2% of multi-site presence for global banks). European banks also demonstrated a balance in distribution across various levels of multi-channel adoption (4% in each of the multi-site categories). This implies that banks belonging to the European groups demonstrated greater readiness for diversified broad-media presence and more advanced approach to the scope of Web 2.0 activities in comparison to other groups.

Among banks in the SEE group, the most dominant form of presence was in two social media sites (6%), outweighing the adoption of one site or three or more sites. This could suggest that banks in this group were in slightly more advanced position than domestic banks in terms of the scope of social media engagement, although largely supporting the trend of restricted form of "basic" social media adoption. Interestingly, banks belonging to the global financial brand groups extended their social media presence up to two-site level of adoption, omitting opportunities of being active via more versatile multi-site social media portfolio.

Table 14 provides a listing of banks across segments according to their level of social media involvement. The purpose of the table is to track the distribution of presence along distinct banking groups and brands. Banks are grouped under the type of network. (The numbers next to the name of the bank stands for the number of countries in which that bank has that particular form of social media presence.)

Banks in the "domestic" segment are not included in the table, as each of them is a unique case with operations in only one country and cannot be subjected to comparison across the region. It is worth noting, however, that the most distinguished examples of social media adoption by a strictly local bank were noted for *Banca Transilvania* from Romania (whose activities in social media extended across 7 platforms: Facebook, Twitter, YouTube, Google Plus, blog and several mobile applications) and *Komercijalna Banka* from Serbia (activities across 5 channels: Facebook, Twitter, YouTube, LinkedIn, GooglePlus). These were the only local banks in the region with such a broad scope of social media activities in 2012 and thus represent a deviation from the common pattern.

Table 14: Listing of banks networks and their level of social media presence in 2012.

May 2012	SEE bank network	European MNEs	Global MNEs
Banks with no social media presence	Alpha (4), NBG (3), Marfin (3), Ziraat (2), Emporiki, Eurobank, Alfa Finance Holding BG, Halkbank, ATE Bank, Hellenic Bank, Bank of Cyprus, NLB, Piraeus	OTP (3), Societe Generale (3), KBC (2), Millennium (2), Intesa (2), Credit Agricole (2)Raiffeisen, Allianz, HSBC, Veneto, Leumi, BNP Paribas, VTB, Volksbank	ProCredit (3), Citibank
Present in just one social media site	Piraeus, CCB Bulgaira, NBG, Alpha, ATE Bank	Societe Generale (2), Intesa, Bayern LB/MKB, Credit Agricole, Credit Europe Bank, UniCredit	ProCredit
Present in two social media sites	NBG (2), Eurobank (2), Fibank, NLB Tutunska, Bank of Cyprus, Piraeus	Sparkasse, Societe Generale, UniCredit, Volksbank, Eurobank, Veneto,	ProCredit, Opportunity
Present in three social media sites	Piraeus, Emporiki, Garanti, Alpha	Credit Agricole (2), Erste, ING, Hypo-Alpe Adria, Raiffeisen	
Present in four or more social media sites	Fibank, Piraeus	Raiffeisen (2), Erste, Intesa	

Among banks belonging to the SEE networks, the most notable laggards were *Ziraat* and *Marfin* banks, which abstained from social media presence in all countries of the sample. Similarly, *Alpha Bank* and *NBG (National Bank of Greece)* abstained from social media in majority of the countries of their regional operations. In the case of *NBG,* group's head branch in Greece abstained from social media adoption, while its counterparts in Bulgaria (*United Bulgarian Bank*), FYROM (*Stopanska Banka Skopje*) and Serbia (*Vojvodjanska Banka*) demonstrated adoption of one or two social media sites for their locally branded entities. Reserved stance towards social media adoption was also noted for *Alpha Bank*, which (albeit having operations across all 6 countries of the sample) adopted social media in only 2 countries of its network (Greece and Serbia) with strategies of different breadth (in Greece: Facebook; in Serbia: Facebook, Twitter and YouTube). This suggests that banks in the SEE cluster tended to lack cross-regional uniformity in strategies for social media adoption.

Among banks in the SEE cluster the most noteworthy examples of social media adoption included *Piraeus Bank*, *Fibank* and *Eurobank*. In the case of *Piraeus Bank,* the group had different social media adoption approach for each country where it had established regional operations, with the most prominent scope of social media activities noted for its head entity in Greece (established presence in 5 sites: Facebook, Twitter, YouTube, LinkedIn and Flickr). In other countries the bank had more restricted levels of adoption at one-site (Bulgaria: YouTube) and two-site (Romania: Facebook and YouTube) levels, while its entity in Serbia abstained from social media altogether. In the case of *Eurobank,* the group had social media sites in three out of four countries of its regional operations (Greece: Twitter and YouTube; Romania: Facebook and Twitter and Serbia: Facebook and YouTube). In the example of *Fibank,* although having a significantly smaller scope of regional market share, the brand had embraced social media in both countries of its regional operations (in Albania: Facebook and YouTube; in Bulgaria: Facebook, Twitter, YouTube and blog).

Based on this, it appears that in 2012 SEE-based banking groups largely lacked common directive and unified brand-wide strategies in social media activities. It appears that decisions on the adoption of social media were in the hand of each entity individually. This was a common patter observed among brands belonging to the SEE cluster. Thus, it can be suggested the nature of SEE banks' involvement in social media was rather experimental in 2012.

Additionally, common tendency among SEE banks was for each Web 2.0-active entity to have independently-run, locally-focused pages (i.e. in local language and targeting only local customer population), rather than to share universal accounts of the brand's group as a whole. Thus, there were no instances where a group would have a universal social media profile unifying its online presence and communications for the region as a whole (e.g having one Facebook page catering to group's business in several countries or the region as a whole). This insinuates that branch in each country had the liberty to customize its social media activities and pursue its own pace and scope of social media adoption independently of the group.

Similar tendencies can be observed among banks belonging to the European and global multinational financial groups. General lack of sync in social media adoption strategies across countries was observed for the majority of these banking groups, who rested the utilization of social media on the judgment of individual entities in each country. Thus, a notion of experimentation with social media was present among these banks as well.

The most notable laggards in the cluster of European banking groups were *KBC*, *OTP*, and *Millennium Bank,* which did not demonstrate any form of social media adoption for any of their entities in the region. In terms of the most advanced scope of social media activities among European banks it is worth singling out the activities of *Raiffeisen Bank* and *Erste Bank* groups. *Raiffeisen Bank* is a notable example because its Web 2.0-active entities had adopted multi-site social media strategies (in Bulgria, Romania and Serbia). The most outstanding example is *Raiffeisen Bulgaria,* which in 2012 had presence in 7 social media platforms. It is interesting to mention that this was the only example of a bank with established presence in local social media platforms (VBox7, Snimka.bg and Album.bg), alongside mainstream sites such as Facebook and YouTube. This example highlights the focus on locally-centric approach to social media, observed among other banking groups in the region as well. This was the most extensive form of social media adoption among all multinational banks in the sample

Similarly, entities of *Erste Bank* also demonstrated advanced social media adoption in the region whereby each of its regional branches had presence in multiple Web 2.0 platforms, spanning across Facebook, Twitter, YouTube (Romania) as well as LinkedIn and corporate blog (Serbia). Other evidence of social media activities was also noted for banks belonging to the European groups of *Credit Agricole, Societe Generale, Banca Intesa,* and *UniCredit* and banks belonging to *ProCredit* global financial network, albeit without common patterns among regional branches in the scope and levels of social media adoption.

More detailed presentation of the breakdown of social media adoption across brands and countries in 2012 is provided in Table 15. (Note that table includes only banks in SEE, European and global networks, for the purpose of cross-country comparison. Matrix also includes only banks with presence in at least 2 countries of the sample, also for the purposes of cross-country comparison. Local brand names of the belonging to the same network are presented in italics.)

Table 15: Matrix of social media adoption across brands and countries in 2012.

Adoption by brand in 2012		Albania	Bulgaria	FYROM	Greece	Romania	Serbia
SEE banks	Alpha Bank	none	none	none	Facebook	none	Facebook, Twitter, YouTube
	ATE Bank	n/a	n/a	n/a	none	Facebook	n/a
	Bank of Cyprus	n/a	n/a	n/a	Facebook, YouTube	none	n/a
	CCBank	n/a	Facebook, Twitter, YouTube (2)	*Centralna Kooperativna Banka* - Facebook	n/a	n/a	n/a
	Erste	n/a	n/a	n/a	n/a	*Banca Comerciala Romana* - Facebook, Twitter, YouTube	Facebook, Twitter, YouTube, LinkedIn, blog
	Eurobank	n/a	*Postbank* - none	n/a	Twitter, YouTube (2)	*Bancpost* - Facebook, Twitter	Facebook (2), YouTube
	Fibank	Facebook, YouTube	Facebook, Twitter (2), YouTube, blog	n/a	n/a	n/a	n/a
	Marfin Bank	n/a	n/a	n/a	none	none	none
	Millennium Bank	n/a	n/a	n/a	none	none	
	NBG	none	*United Bulgarian Bank* - Twitter, YouTube	*Stopanska Banka AD Skopje* - YouTube	none	*Banca Romaneasca* - none	*Vojvodjanska Banka* - Twitter, YouTube
	NLB	n/a	n/a	*NLB Tutunska* - Facebook, Twitter	n/a	n/a	none
	Piraeus Bank	*Tirana Bank* - Facebook, Twitter, YouTube (2)	YouTube	n/a	Facebook, Twitter, YouTube (2), LinkedIn, Flickr	Facebook, YouTube	none
	Ziraat	n/a	none	none	n/a	n/a	n/a
European banks	Banca Intesa	Facebook	n/a	n/a	n/a	*Banca CR Firenze* - none *Intesa* - none	Facebook, Twitter (2), YouTube (3), LinkedIn
	Credit Agricole	Facebook, Twitter, LinkedIn	*Emporiki* - Facebook, Twitter, YouTube	n/a	*Credicom* - Twitter *Emporiki* - Facebook, Twitter (2), YouTube	*Emporiki* - Facebook	*Credit Agricole* - none *Credy* - none
	KBC	n/a	*Cibank* - none	n/a	n/a	n/a	none
	OTP	n/a	*DSK Bank* - none	n/a	n/a	none	none
	Raiffeisen	none	Facebook, YouTube, blog,Vbox7, Snimka, Album, Picasa	n/a	n/a	Facebook, Twitter, YouTube, LinkedIn	Facebook, Twitter, YouTube
	Societe Generale	YouTube	none	*Ohridska Banka* - none	*Geniki* - YouTube	*BRD* - Facebook, Twitter	none

	UniCredit	n/a	Facebook, Twitter, YouTube, Google Plus	n/a	n/a	*UniCredit Tiriac Bank* - Facebook (2), YouTube	YouTube
	Veneto Bank	Facebook, Twitter	n/a	n/a	n/a	*Banca Italo Romena* - none	n/a
	Volksbank	n/a	n/a	n/a	n/a	Twitter, YouTube	none
Global banks	**ProCredit**	none	Facebook, YouTube	Facebook	n/a	none	none

4.3 Social media uptake in 2013

Throughout 2012 several banks in the region underwent the processes of mergers, acquisitions and foreclosures, resulting in the changes in the composition of the retail banking market in SEE. The total number of banks decreased from 141 (mid-2012) to 137 by the start of 2013 (Albania - 17, Bulgaria – 25, FYROM - 15, Greece – 18, Romania – 30, Serbia – 32). Therefore, data for 2013 reflects the state of social media activities among banks that were in operation by January of that year.

4.3.1 Levels of social media uptake in 2013

Data collected in early 2013 reveals notable shifts in the rate of social media adoption among banks in the SEE region. Table 16 lists the distribution of banks' presence in social media on various levels.

Table 16: Levels of social media uptake in 2013.

Level of social media adoption	Number of banks	Percentage
No social media presence	42	31%
Presence in just one social media site	39	28%
Presence in two social media sites	27	20%
Presence in three social media sites	16	12%
Presence in four or more social media sites	13	9%
Total	137	100%

The most noticeable shift had occurred in the segment of banks with *"no social media presence"*, which had decreased from 48% in mid-2012 to 31% in the beginning of 2013. This was an improvement in terms of the progress of social media uptake in the region, as the number of non-active banks was reduced to just about one third of the total sample.

Overall decrease in the number of banks inactive in social media could be attributed to a notable expansion in the segment of banks with *"presence in only one social media site"*. The share of this segment had grown by 10% since prior year, reaching 28% in the beginning of 2013 and coming close to one third of the banking market. Out of 26 banks which had entered social media for the first time, 17 had done so via presence in one social media site, thus contributing to the growth at this level of uptake. Like in the year prior, this level of social media adoption had remained the largest single level of Web 2.0 adoption among banks in the region.

There had been a less dramatic but nevertheless stable growth in the shares of banks in various multi-site levels of uptake, with 2-3% rise in each category compared to year earlier. This could suggest that banks which pioneered social media adoption were solidifying their social media presence in early 2013 and slowly expanding their Web 2.0 scope of activities by adding additional sites and channels to their digital portfolio. Thus, the trend of social media engagement in the banking sector in the SEE region was slowly growing and solidifying. A visual illustration of the breakdown of social media presence among banks in 2013 is presented in Figure 9.

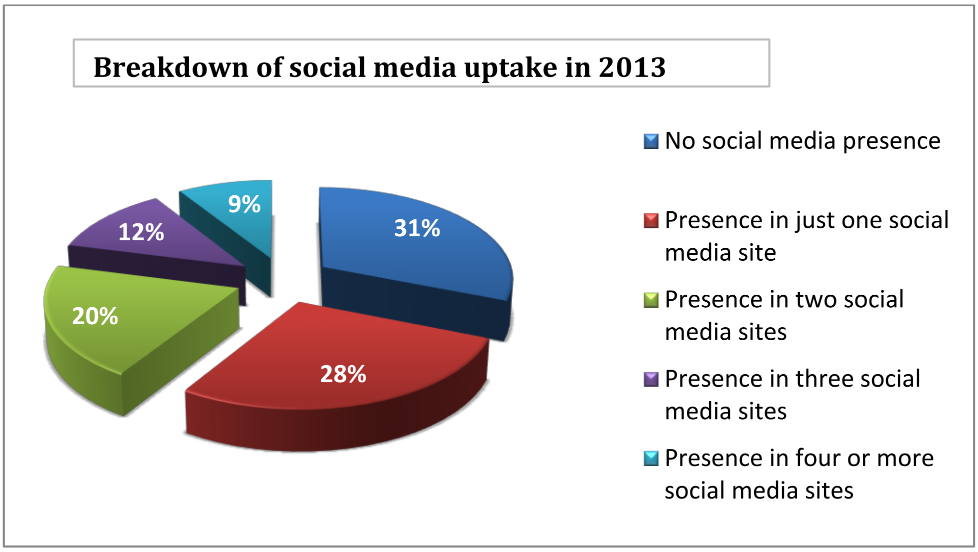


Figure 9: Breakdown of social media presence in 2013.

4.3.2 Levels of uptake across countries in 2013

Table 17 presents a matrix with the distribution of the levels of social media uptake in 2013 among banks across countries. (Note: the far right column represents shares in each category in respect to the total sample of banks, rather than averages across countries in the sample).

The most notable shifts in the distribution of social media uptake across countries occurred in the segments of banks abstaining from social media and banks with one-site level of presence. The biggest change occurred in the markets of Albania and Bulgaria where the number of social media non-participants almost halved in 6 months period between mid-2012 and early 2013, dropping to 23% and 20% respectively. The trend of decreasing non-adoption rates was also noticeable in other countries in the region as well, with 11-17% decline among banks which had previously abstained from social media engagement.

Table 17: Breakdown of banks' social media uptake across countries in 2013.

Level of social media adoption	Country						
	Albania	Bulgaria	FYROM	Greece	Romania	Serbia	Total
No social media presence	23%	20%	33%	44%	27%	37%	31%
Presence in just one social media site	41%	36%	40%	28%	20%	19%	28%
Presence in two social media sites	18%	24%	27%	11%	27%	12%	20%
Presence in three social media sites	12%	12%	0%	11%	13%	16%	12%
Presence in four or more social media sites	6%	8%	0%	6%	13%	16%	9%

Coincidentally, banks in Albania and Bulgaria demonstrated also the highest expansion in the segment of *"presence in one social media site"*, with growth of 18% and 16% in each country respectively. Paired with the data on the shift in non-adopters segments in these countries, it can be suggested that majority of banks which were switching their non-adoption stance to adoption chose one-site presence as the most popular and optimal mode of entry into Web 2.0 domain. This trend was also true for other countries in the sample as well, whereby all of the new Web 2.0 entrants in FYROM and Greece and majority of entrants in Albania, Bulgaria and Serbia opted for one-site adoption as their primary social media activity. (Romania was the only exception to this trend, with 3 out of 4 newcomers adopting multi-site presence at their entry into social media.)

The distribution across various levels of multi-site presence adoption did not bring drastic changes in 2013. The growth in the segments of *"presence in two social media sites"* and *"presence in three social media sites"* was at low 1-4%. The only noteworthy expansion occurred among banks in Bulgaria, where the number of banks with two-site presence strategy doubled to 24% by early 2013, singling considerable shifts among banks in this market towards greater social media activation.

It should be added that although minor, growth in the *"presence in two social media sites"* was contributed also by banks which entered Web 2.0 domain for the first time in this time period via two-sites. This mode of entry was observed among 7 out of 26 new social media entrants, predominantly among banks in Romania. This could suggest that later adopters were trying to catch up with the banks that were already active in social media prior to 2013, and thus had to pursue more vigorous tactics to stay relevant and competitive in the Web 2.0 domain.

It is interesting to mention that FYROM was the only country where banks did not advance in three or four and more sites presence. The adoption of social media among banks in FYROM remained at one and two-site levels, which made banks in this country some of the least progressive in the region in terms of the breadth and diversity in social media uptake.

Interestingly, surprising changes were observed in the segment of *"presence in four or more social media sites"*. Banks in Bulgaria and Greece reversed the growth trend and actually decreased their multi-channel activities by 4%. Banks active at this advanced level of highly diversified social media coverage had been scarce in 2012, and by early 2013 such broad-spectrum social media strategies became even less common in these countries. This could suggest that banks revised their social media strategies and decided to focus on two or three most important and valuable social media sites instead of being present in a plethora of Web 2.0 outlets. Thus, it can be speculated that for some of the advanced social media adopters early 2013 signaled the need to re-evaluate the value of their social media activities and to concentrate on the most worthy channels of communication, giving up presence in peripheral outlets. Nevertheless, this was not a common trend that could be generalized to the whole region, as banks in Albania, Romania and Serbia expanded their advancement in this level of social media adoption by 6-7%, thus contributing to the overall growth in this segment.

In terms of the cross-country comparison of the general scope of social media adoption, by early 2013 Romania has lost its position as the leader in banks' social media adoption. This position was overtaken by Bulgaria, where in 2013 80% of the banks had some form of social media presence, followed closely by the banks in Albania (77%) and Romania (73%). Importantly, in other countries adoption was also growing and exceeded the number of banks abstaining from Web 2.0. In Greece and Serbia adopters finally surpassed the 50% threshold unattained in 2012 and entered the majority, thus leveling out with other countries in the region where social media was a mainstream trend. This indicated the growing strength and importance of social media for the retail banking industry in the SEE region.

4.3.3 Popular social media sites among banks in 2013

The growth in social media adoption across various levels was accompanied by changes the uptake of popular social media sites as well. Figure 10 contains a graph which illustrates the rate of uptake of popular social media among banks in 2013.

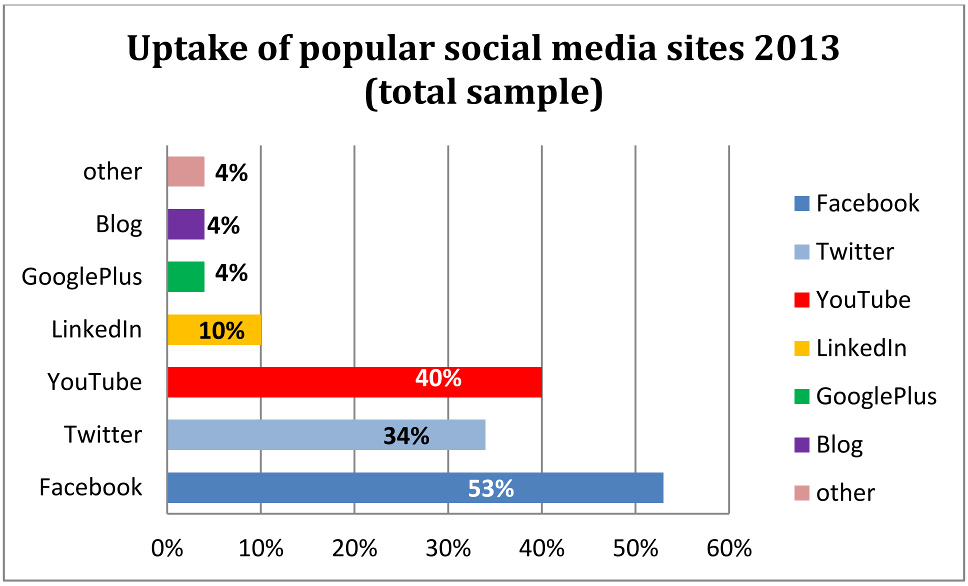


Figure 10: Uptake of popular social media among banks in 2013.

In 2013 Facebook remained the most popular social networking platforms among banks in the SEE region, with 53% rate of adoption among all banks in the sample. The 10% growth from 2012 rate allowed Facebook to surpass the 50% adoption threshold and become the site where over half of the banks in the region had an established presence. In the segment of banks with *"presence in one social media site"* Facebook remained the predominant choice, with 56% of banks in this segment opting for Facebook as their sole Web 2.0 activity in 2013. In 2012 this rate was 68%, but the decrease can be attributed to the growth in the number of banks which started combining Facebook with other popular social media in 2013. Presence in Facebook remained constant in all of the levels of multi-site adoption as well, which implies that banks considered Facebook to be an essential element in their social media strategies.

By 2013 about one third of banks (34%) had adopted Twitter, which was 13% increase from the 2012 rate. Although no new cases emerged of banks adopting Twitter as sole social media activity, there was a growth in cases where banks used

Twitter in combination with Facebook or YouTube. This could imply that Twitter was used by banks more as a complementary platform in establishing social media presence, and it remained in the position of the third most popular site in 2013.

YouTube continued to enjoy vast popularity among banks in 2013, remaining at steady 2nd place of the most popular sites with 40% of adoption among all banks in the sample. It was also one of the most popular forms of presence among one-site adopters, where 31% of banks in this category chose YouTube as their only Web 2.0 outlet. Out of 26 banks which entered Web 2.0 domain for the first time in 2013, half incorporated YouTube in their launch strategies and for 6 of those cases YouTube was the sole form of presence (mostly chosen by banks in Greece). This could suggest that the mode of YouTube activities (discussed earlier in this chapter) continued to appeal to banks which sought to launch their social media activities.

Interesting growth was noted in the adoption of "complementary" platforms such as blogs, LinkedIn, Google Plus, Flickr etc. Although remaining at the low-end rate of adoption of only 4-10% among all bank in the region, the volume of banks adding these sites to their social media portfolios doubled from 2012 rates of 1-5%. The most notable growth was observed for LinkedIn, which outweighed other sites in the segment of four-site adoption (31% of banks in this segment added LinkedIn to their Facebook-Twitter-YouTube "base", compared to a maximum of 8% which added Google Plus, blogs or other sites to supplement their core social media activities).

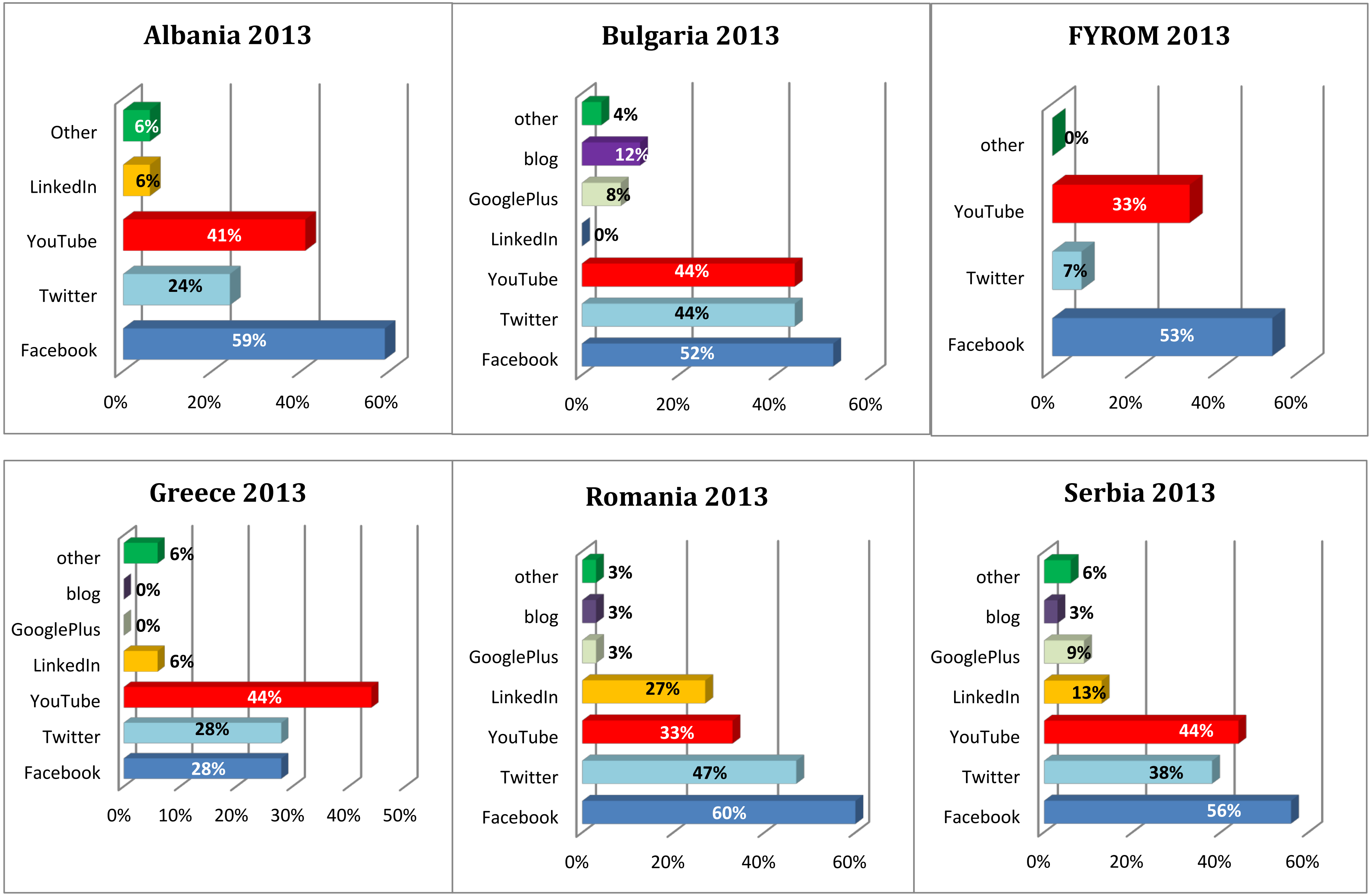
Figure 11 provides a breakdown of the uptake of popular social media in 2013 by banks across countries in the sample. As discussed earlier, in 2013 banks in Albania and Bulgaria collectively demonstrated the largest rate of social media adoption in the region (up to 80%). However, banks in Romania remained in the leading position in terms of the breadth of uptake of several popular social media sites. Namely, banks in Romania shared the highest rate of adoption of Facebook (60%), Twitter (47%) and LinkedIn in the region (27%). While the expansion in the uptake of Facebook and Twitter in this country was growing at a moderate rate (3% and 10% respectively), the most drastic change occurred in the popularization of LinkedIn, which grew by 20% in adoption since 2012. In majority of cases LinkedIn was part of the multi-channel portfolio, although in the case of one domestic bank

Facebook was swapped for LinkedIn in 2013 as the sole form of presence in social media. Such growth in the interest for a greater diversity in Web 2.0 activities among banks could be attributed to the observation that the banks in this country were approaching maturity and saturation in social media activities and were possibly seeking additional outlets to reach relevant online audiences and to stand out from the competition.

In terms of YouTube, in majority of countries there was a moderate rate of growth in uptake varying 8%-12% (with the exception of Romania, where YouTube adoption grew by only 2% in 2013). Interestingly, the level of YouTube uptake approached somewhat of a balance across banks in the region, with Bulgaria, Greece and Serbia reaching the same level of adoption (44% in each country), as well as FYROM and Romania (33%). This suggests that there was a common trend in the region and that YouTube was possibly recognized as an essential tool for online promotional activities by the industry.

As mentioned previously, Twitter adoption remained the third most popular social media site among banks (with the exception of Romania), with a moderate growth in adoption of 1%-16%. Interestingly, Greece was the only country in the sample where Twitter actually experienced 2% decline in uptake in comparison to the 2012 rate. Similar decline in adoption of Facebook and other non-mainstream media was also noted among banks in Greece. The explanation for such developments stems from the changes in the banking market in Greece in the 2012-2013, whereby several banks seized their operations. With banks exiting the market, their social media profiles were revoked, which produced an impact on the overall level of uptake of certain social media sites in the country. However, a closer look at the composition of social media profiles among banks in Greece reveals that (with the exception of new entrants to the Web 2.0 domain) there were no major changes in the Web 2.0 portfolios of existing adopters. Thus, the overall level of social media uptake among banks in Greece was relatively stable in 2013.

Figure 11: Comparison of bank's media uptake across countries in 2013.



Similarly, while several banks entered social media in FYROM in 2013 via Facebook and YouTube, there was no impact on the diversity of social media activities among banks in this country. Banks in FYROM continued to be laggards in adoption of non-mainstream social media sites, and there were no cases of additions of LinkedIn, Google Plus, blogs or other platforms to their Web 2.0 portfolios. This stagnation in the progress of the breadth of social media uptake could bear the roots in the observation that the retail banking market in FYROM did not provoke the need for seeking competitiveness via social media. FYROM accommodated one of the smallest retail banking markets in the region (15 banks in 2013). In comparison, countries with the most progressive social media adoption coincidentally had much larger market sizes (Bulgaria 25 banks, Romania 30 banks and Serbia 32 banks), making the competition for consumer's online attention harsher and thus inducing the need for more aggressive advancements in social media adoption.

4.3.4 Social media presence across types of banks in 2013

Table 18 summarizes the distribution of presence across domestic, SEE-centric, European and global multinational banks in 2013.

Table 18: Breakdown of banks' level of social media presence across bank types in 2013.

Level of social media adoption	Domestic banks	SEE banks	European banks	Global banks	Total
Banks with no social media presence	12%	7%	9%	1%	31%
Present in just one social media site	10%	7%	9%	3%	28%
Present in two social media sites	7%	6%	6%	1%	20%
Present in three social media sites	2%	4%	6%	0%	12%
Present in four or more social media sites	2%	2%	5%	0%	9%
Total	33%	26%	35%	6%	100%

In 2013 changes in the composition of the retail banking market produced impact on the rates of distribution of social media adoption among banks. Banks belonging to the European financial groups represented the largest share of the market in the SEE region and also observed the largest collective share of social media adoption on all levels (sum of 26% of adoption across all levels) in early 2013.

The most prominent level of adoption per category size was *"presence in one social media site",* which was common for all types of banks, with domestic banks in the lead in terms of the highest rate of such form of social media presence. This suggests that cautious strategy of one-site adoption was still a common trend among banks with strictly local scope of operations.

In terms of multi-site presence, European banks continued to have the highest rate of the adoption that spanned across several social media sites (total of 17% of adoption across all multi-site levels). Although distribution across the multi-site adoption levels was relatively even across European banks, in comparison to the 2012 rates it appears that there was a slightly larger growth in the segments of two-site and three-site social media presence. Additionally, European banks continued to have the highest share of adoption in portfolios that contained four or more social media pages.

Although doubling presence via one social media site since 2012, banks belonging to the global financial groups continued to be laggards. Banks in this cluster did not establish presence that spanned across more than 2 social media sites, leaving opportunities for diversified coverage in Web 2.0 platforms largely unexploited.

Movements in social media adoption across brands bank networks operating in the region are summarized in Table 19 (Numbers next to each brand name stand for the number of countries in which that bank has that particular level of social media presence). In addition detailed breakdown of the changes in adoption across brands and countries is provided in the matrix in Table 20 (Note that table includes only brands that by 2013 still had presence in at least 2 countries of the sample, which allows for cross- country comparison. Therefore, *ATE Bank*, *Ziraat* and *Volksbank* were not included in the table for 2013 data, as only one bank under each brand group remained in the sample.)

In the cluster of banks with main focus of operations in SEE countries, the most notable progress was observed among banks belonging to *Alpha Bank* and *Eurobank* groups. While in 2012 only 2 banks in *Alpha Bank* group were engaged in social media, by early 2013 all of the branches in the SEE sample had adopted Web 2.0 presence. Newcomers launched their social media presence at different levels of engagement, with bank in Albania adopting Facebook, bank in FYROM adopting

YouTube and branches in Bulgaria and Romania each adopting Twitter and YouTube. This suggests that although there was a notable region-wide shift towards greater social media adoption, there were no common universal patterns among branches in terms of the modes of entry.

Table 19: Listing of banks networks and their level of social media presence in 2013.

Level of adoption	SEE bank network	European MNEs	Global MNEs
Banks with no social media presence	NBG (3), Marfin (3), Eurobank, Alfa Finance Holding, Bank of Cyprus, Piraeus	Credit Agricole (3), KBC (2), Societe Generale (2),Allianz, HSBC, Veneto, Leumi, , VTB banka, Sberbank	Citibank, ProCredit
Present in just one social media site	Alpha (3), Piraeus, CCB Bulgaira, Halkbank, NBG, Hellenic Bank, ATE Bank, NLB	Societe Generale (3), Credit Agricole (2), OTP (2), Intesa, Ziraat, Millennium, BNP Paribas, UniCredit	ProCredit (3)
Present in two social media sites	Alpha (2), Fibank, NBG, NLB, Bank of Cyprus, Eurobank, Piraeus	Raiffeisen, Bayern LB/MKB, Sparkasse, Credit Europe Bank, Intesa, Millennium, Volksbank, OTP	ProCredit, Opportunity
Present in three social media sites	Piraeus, Eurobank, Garanti, Alpha, NBG	Credit Agricole (2), Raiffeisen (2), Veneto, Societe Generale, ING, Hypo-Alpe Adria	
Present in four or more social media sites	Fibank, Piraeus, Eurobank	UniCredit (2), Erste (2), Credit Agricole, Raiffeisen, Intesa	

However, it is interesting to highlight that in the countries where one-site social media activity was predominant among banks (such as Albania and FYROM), local branches of *Alpha Bank* opted for one-site level of adoption as well. Meanwhile, observing that in Bulgaria and Romania the competitiveness of social media adoption was at a more progressive level, *Alpha Bank* branches selected launch via two-sites. Thus, it can be suggested that in the case of this banking group the mode of social media activities was adjusted to an extent to follow the Web 2.0 trends specific to the market of each country, rather than to pursue a uniform brand-wide strategy.

In the case of *Eurobank* group, it is worth noting that while in 2012 adopters were active only at two-site level, by early 2013 branches in Romania and Serbia have also added LinkedIn and Google Plus to their portfolios. This signals that early adopters were seeking to diversify their social media activities and possibly expand their reach of online audiences in these markets.

Among banks of the European financial groups, *Raiffeisen Bank* and *Erste* remained the leaders in multi-site adoption, whereby all of the brands' branches in the region had social media presence that spanned across several platforms. New social media launches were noted for banks belonging to *OTP* and *Millennium Bank* groups, which were the main laggards in 2012. Banks under these brands opted for one-site and two-site entry into Web 2.0 activities in Facebook and/or YouTube. There were no distinct common patterns in the scope of adoption across countries under either of the brands (like in the case of SEE banks discussed earlier). The only similarities were the common choices of Facebook and YouTube as preferred modes of social media presence, which fortified the earlier observation that these two platforms were regarded as the most essential for Web 2.0 activities among banks in the region.

Finally, there were no major developments in the cluster of global banking groups, which were consistent in their rates of social media uptake with 2012 levels. The only progress was noted for *ProCredit Bank*, as branches in Albania and Serbia entered social media via YouTube. Thus, in comparison with banks in other clusters, global brands remained rather restricted in their Web 2.0 activities.

Table 20: Adoption of social media across brands and countries in 2013.

Adoption by brand in 2013		Albania	Bulgaria	FYROM	Greece	Romania	Serbia
SEE banks	**Alpha Bank**	Facebook	Twitter, YouTube	YouTube	Facebook	Twitter, YouTube	Facebook, Twitter, YouTube
	Bank of Cyprus	n/a	n/a	n/a	Facebook, YouTube	none	n/a
	CCBank	n/a	Facebook, Twitter, YouTube (2)	*Centralna Kooperativna Banka* - Facebook	n/a	n/a	n/a
	Erste	n/a	n/a	n/a	n/a	*Banca Comerciala Romana* - Facebook, Twitter, YouTube, LinkedIn, blog	Facebook, Twitter, YouTube, LinkedIn, blog, Slideshare
	Eurobank	n/a	*Postbank* - none	n/a	Twitter, YouTube (2)	*Bancpost* - Facebook, Twitter, LinkedIn	Facebook (2), Twitter, YouTube, GooglePlus
	Fibank	Facebook, YouTube	Facebook, Twitter (2), YouTube, blog, GooglePlus	n/a	n/a	n/a	n/a
	Marfin Bank	n/a	n/a	n/a	none	none	none
	Millennium Bank	n/a	n/a	n/a	YouTube	Facebook, YouTube	n/a
	NBG	none	*United Bulgarian Bank* - Twitter, YouTube	*Stopanska Banka AD Skopje* - YouTube	none	*Banca Romaneasca* - none	*Vojvodjanska Banka* - Facebook, Twitter, YouTube (2)
	NLB	n/a	n/a	*NLB Tutunska* - Facebook, Twitter	n/a	n/a	Facebook
	Piraeus Bank	*Tirana Bank* - Facebook, Twitter, YouTube (2)	YouTube	n/a	Facebook, Twitter, YouTube (2), LinkedIn, Flickr	Facebook, YouTube	none
European banks	**Banca Intesa**	Facebook	n/a	n/a	n/a	Facebook, Twitter	Facebook, Twitter (2), YouTube (3), LinkedIn
	Credit Agricole	Facebook, Twitter, YouTube, LinkedIn	Facebook, Twitter, YouTube	n/a	*Credicom* - Twitter *Emporiki* - Facebook, Twitter (2), YouTube	Facebook	*Credit Agricole* - none *Credy* - none
	KBC	n/a	*Cibank* - none	n/a	n/a	n/a	none

	OTP	n/a	*DSK Bank* - YouTube	n/a	n/a	Facebook	Facebook, YouTube
	Raiffeisen	Facebook, Twitter	Facebook, Twitter, YouTube	n/a	n/a	Facebook (2), Twitter, YouTube, LinkedIn	Facebook, Twitter, YouTube
	Societe Generale	YouTube	Facebook	*Ohridska Banka* - none	*Geniki* - YouTube	*BRD* - Facebook (2), Twitter (2), LinkedIn	none
	UniCredit	n/a	Facebook, Twitter, YouTube, GooglePlus, Blog, Pinterest	n/a	n/a	*UniCredit Tiriac Bank* - Facebook (2), Twitter, YouTube (2), LinkedIn	YouTube
	Veneto Bank	Facebook, Twitter, Flickr	n/a	n/a	n/a	*Banca Italo Romena -* none	n/a
Global banks	**ProCredit**	YouTube	Facebook, YouTube	Facebook	n/a	none	YouTube

4.4 Social media uptake in 2014

The year 2013 can be described as turbulent one for the banks in the SEE region, as it brought new wave of changes in the composition of financial services markets. The trend of mergers, acquisitions and foreclosures continued strongly throughout 2013 in the region, resulting in the "shrinkage" of the retail banking market from 137 institutions in early 2013 to 127 by the start of 2014 (16 in Albania, 25 in Bulgaria, 15 in FYROM, 11 in Greece, 30 in Romania and 30 in Serbia). The most dramatic changes occurred in the Greek retail banking market, where the number of banks almost halved (from 20 in mid-2012 to 11 in early 2014), resulting in the absorption of power and market shares by larger banking institutions. This has inevitably impacted the sentiments of competitiveness in the market, as well as consumer outlooks on the stability of the retail banking sector in the region. Hence, it is interesting to observe the effects that marketplace concentration has produced on the scope of social media engagement among banks in the region.

4.4.1 Levels of social media uptake in 2014

By 2014 interesting new trends in the rates and breadth of social media adoption were observed among retail banks in the SEE region. Table 21 summarizes the overall shares in different levels of Web 2.0 uptake across the region.

Table 21: Levels of social media uptake in 2014.

Levels of social media adoption	Number of banks	Percentage
No social media presence	28	22%
Presence in just one social media site	35	28%
Presence in two social media sites	24	19%
Presence in three social media sites	17	13%
Presence in four or more social media sites	23	18%
Total	127	100%

The growth trend in Web 2.0 adoption continued in 2014 as well, where one of the first signals was the decline in the rate of non-adopters by 9% since 2013 level down to 22%. Thus, compared to 2012 when social media adoption was present among a little over half of banks, by 2014 it became a dominant trend, absorbing 78% of the market, which was a rather rapid development.

Interestingly, while in 2013 the pace of adoption across all levels of social media uptake was more dynamic, it appears that by early 2014 the growth trend has slowed down. In the period of 2013-2014 only 10 new banks have entered social media for the first time, compared to 26 in 2012-2013 period. However, while in 2012-2013 the predominant manner of launching social media presence was through one social media profile (17 out of 26 cases), in 2013-2014 wave only 5 banks followed this strategy, with half of the banks opting for multi-site presence at the launch. Nevertheless, due to the decreased number of banks in the market, this small growth in the one-site level of adoption was not detected in the overall distribution across segments in 2014, with one-site level of adoption remaining at 28% as in year prior.

Looking at the numbers of banks distributed across various multi-site levels of adoption, it is noticeable that the largest change occurred in the segment of banks with *"presence in four or more social media sites"*. By early 2014 this segment grew to 18% (compared to 9% in 2013 and 7% in 2012), finally achieving balance with other levels of multi-site adoption. Combined, multi-site social media activities comprised half of all forms of Web 2.0 adoption in 2014 (compared to 41% in 2013 and 34% in 2012). This is an important milestone, signaling that the trend of social media has reached maturity by 2014, and the industry has achieved a more solid grasp of a wide array of Web 2.0 activities. A visual illustration of the composition of social media uptake by banks in 2014 is provided in Figure 12.

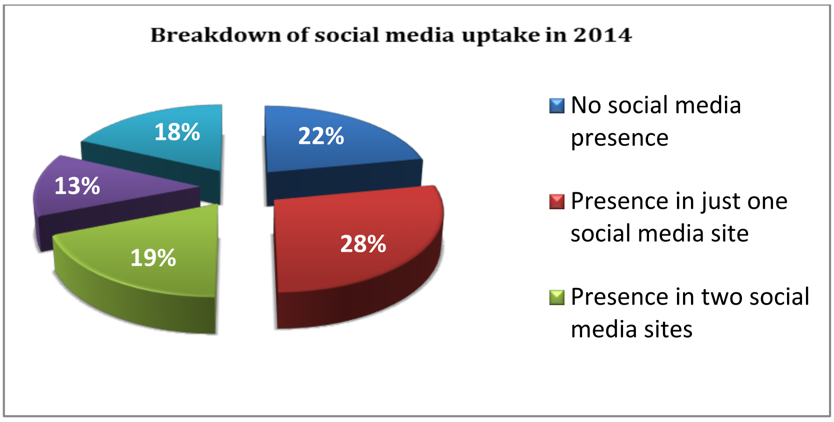


Figure 12: Breakdown of social media presence in 2014.

4.4.2 Levels of uptake across countries in 2014

Changes in the composition of the retail banking marketplace have produced interesting effects on the levels of social media uptake across countries in the region.

Table 22 presents a matrix with the rates of different levels of social media uptake across countries in the sample. (Note: the far right column represents shares in each category in respect to the total sample of banks, rather than averages across countries in the sample.)

Table 22: Breakdown of banks' social media uptake across countries in 2014.

Levels of social media adoption	Country						
	Albania	Bulgaria	FYROM	Greece	Romania	Serbia	Total
No social media presence	6%	12%	33%	55%	17%	27%	22%
Presence in just one social media site	38%	32%	40%	18%	26%	17%	28%
Presence in two social media sites	25%	24%	27%	9%	20%	10%	19%
Presence in three social media sites	19%	20%	0%	0%	7%	23%	13%
Presence in four or more social media sites	12%	12%	0%	18%	30%	23%	18%

In 2014 the advancements towards greater social media adoption were observed among most of the banks in the region, however the pace of growth somewhat stagnated. In Bulgaria, Romania and Serbia the rate of non-adopters dropped by 8-10% from 2013 levels, with social media adoption becoming a dominant practice among banks in these countries. By early 2014, 88% of banks in Bulgaria, 83% of banks in Romania and 73% of banks in Serbia had social media presence, singling the maturity of the social media trend. The most impressive rate of adoption was, however, noted in Albania, where by 2014 94% of the banks in the market were present in popular social media sites (compared to 53% in 2012). This suggests that social media adoption solidified its role in the online marketing strategies for the industry in the region and underwent a transformation from being a trend to becoming a necessity in the online marketing.

However, completion of social media adoption cycle could not be generalized to the whole region, as banks in FYROM and Greece deviated from the growing trend in 2014. The levels of social media uptake among banks in FYROM remained the same as in 2013, as there was no evidence of new Web 2.0 entrants or in the expansion of social media activities across additional platforms. *"Presence in one social media site"* remained at 40% as the predominant level of social media activities and was the highest one-site adoption rate in the region. In 2014 banks in FYROM did not expand their Web 2.0 coverage across three or more platforms and did not experiment with social media platforms such as LinkedIn, Google Plus, blogs or other alternative sites. Although 67% of banks had adopted social media at some level (chiefly through Facebook, YouTube and in one case Twitter), this stagnation in social media activities was at contrast to the tendencies observed in other countries of the region. Possible explanation to the stagnation could be the fact that (up until mid-2013 which marked changes in Greece) FYROM had the smallest retail banking market in the region (15 banks). This could possibly imply there was a less harsh competition among banks in the country in terms of online marketing and hence less pronounced eagerness for experimentation with Web 2.0 as means of differentiation.

Meanwhile, surprising shifts in the rates of social media adoption were observed among banks in Greece. Interestingly, by early 2014 the non-adoption rate actually increased by 10% and reached 55% (the same level as in 2012), reverting the progress of overall social media uptake by the banking industry in the country. Part of the reason for this regression was due to the demise of a considerable number of banking institutions in the country, which also lead to the closure of their social media accounts (4 out of 7 banks which sized operations in 2013 were active in social media). Moreover, among banks that remained operative by early 2014, there were virtually no changes in the levels or scope of their social media uptake. (The percentages in Table 22 insinuate changes in various levels of social media adoption in comparison to earlier years. However, the 2014 percentages are proportionate to the new size of retail banking market in the country with significantly reduced number of banks. Thus, there appears to be a shift in 2014, with reductions in one-site, two-site and three-site levels of uptake and growth in four-site level of uptake, when in practice remaining banks did not retract or adopt additional platforms.) This stagnation could be attributed to banks' possible need for adjustment to the new state in the marketplace and temporary re-evaluation of the competitive strategies in both offline and digital settings.

On the other hand, in the less volatile markets of the region, visible advances could be observed in the multi-site adoption strategies. The sum of all multi-site levels of adoption was 56% among banks in Albania, Bulgaria and Serbia, 57% in Romania. This equalization in the multi-site adoption across region is the important sign of the strengthening of the trend of broad-spectrum social media adoption. Particularly interesting was the growth in the *"presence in four or more social media sites"* segment, where rates almost doubled in Albania, Bulgaria, Romania and Serbia since 2013 levels. The most prominent advancement was noted for banks in Romania, where this form of social media presence has reached 30%, becoming the largest form of social media uptake in the country overall. It can be argued that high levels of competition paired with stability of the market could have contributed to such dynamic pursuit of Web 2.0 adoption in Romania. The extent to which this correlation can be generalized to the whole region however remains tentative, as each country has a unique composition of the retail banking sector.

4.4.3 Popular social media sites among banks in 2014

Breakdown of the rates of the adoption of popular social media sites by banks in the region is illustrated in Figure 13.

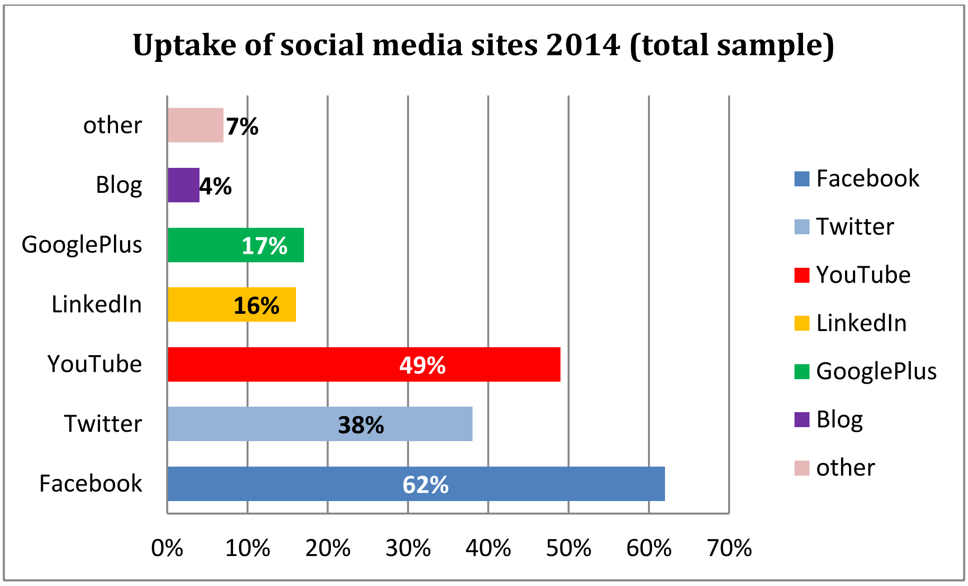


Figure 13: Uptake of popular social media among banks in 2014.

In 2014 there was a steady growth of uptake across all social media sites (3-9% increase from 2013 levels). Facebook continued to be the most popular outlet, with majority of banks having official pages in this platform. Facebook also remained the most popular platform among banks with one-site adoption only, where 57% of banks in this segment chose Facebook as their sole form of Web 2.0 activity. In proportion to the total population of banks in the sample, YouTube and Twitter (although adopted by most Web 2.0-active banks) remained below the 50% threshold, this experiencing much slower growth in comparison to overall rate of Facebook adoption. Additionally, YouTube continued to hold president over Twitter adoption in 2014 as well.

The most interesting development was observed in the progress of adoption of Google Plus, which grew to 17% (growth by 13% from the year prior). This was attributed to the growth in the multi-site levels of adoption, as new “combinations” of Web 2.0 presence emerged, especially among banks which added Google Plus to their existing Facebook-Twitter-YouTube “base” in social media. Similar trend was also observed for LinkedIn as well, which was also common among banks that had social media presence which spanned across 5, 6 or more platforms. In addition, Pinterest, Foursquare and mobile applications emerged as a new trend in 2014 among banks with wide span of Web 2.0 activities. It is interesting to note that the most widespread introduction of mobile apps was noted among banks in Serbia (4 cases), possibly pointing to the birth of a new trend.

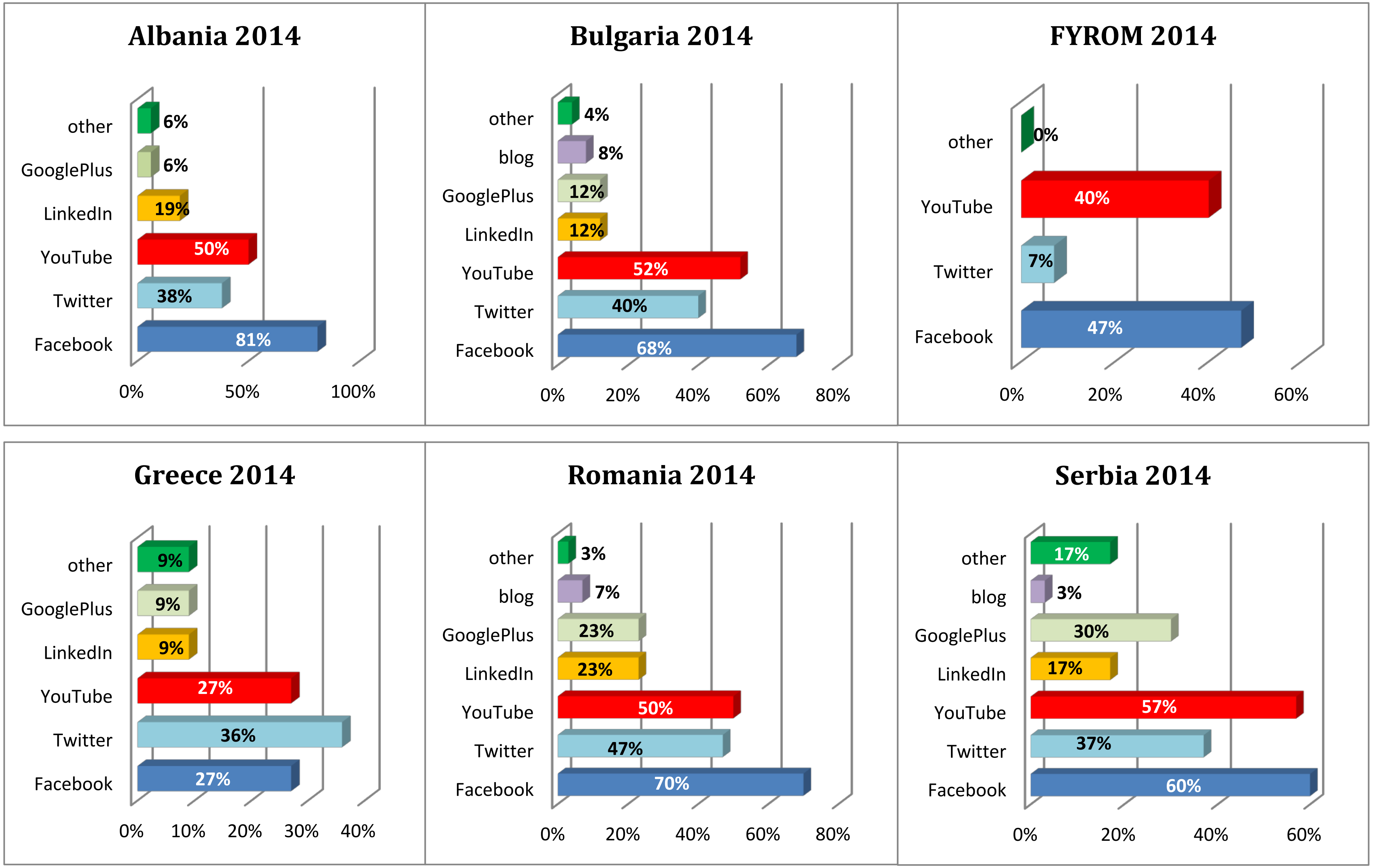
Comparison of different rates of overall adoption of popular social media among bank in 2014 is illustrated in Figure 14. Several changes in adoption rates since 2013 levels can be observed across countries. Firstly, banks in Albania became the leaders in Facebook adoption, with 81% of all banks in that market having an official page in the social networking site, overcoming last year’s leader Romania. In contrast, Facebook adoption continued the trend of decline among banks in Greece, dropping from 30% in 2012 to 27% in 2014, the lowest rate of Facebook adoption in the region. Drastic changes that have occurred during 2013 in the Greek retail banking market could be the explanation for this trend.

On the other hand, however, by early 2014 Greece became the first country in the sample where Twitter adoption among banks overpassed uptakes of Facebook, YouTube and other social sites. Despite no evidence of new Twitter adoptions among banks, Twitter uptake grew in proportion to other sites as a result of the changes in the marketplace composition described earlier. Thus, this occurrence cannot be ascribed to the possible overtake by Twitter in importance over other social media. To the contrary, in other countries Twitter remained the 3rd most popular social media platform, with 37-47% rate of uptake (except in FYROM, where it remained at low 7% with only one bank maintaining its Twitter profile).

Notable progress in the adoption of YouTube was noted among banks in Albania, Bulgaria, Romania and Serbia, where 50-57% of banks had established their video sharing channels. Thus, video remained an important content form and communication tool for the banks in the Web 2.0 setting. Only in Greece YouTube adoption rate dropped down to 27% (from 44% in 2013), due to the exits of banks which used YouTube as their primary Web 2.0 outlet.

In terms of other social media platforms, notable growth in adoption was observed for LinkedIn and Google Plus. LinkedIn adoption rates increased in Albania, Bulgaria and Serbia, ranging 12-19%. The highest rate of LinkedIn uptake was noted among banks in Romania at 23%, although there was a decline from 2013 level. Possible explanation to this trend in Romania could lie in the big expansion in Google Plus adoption instead, which by early 2014 also reached 23% of banks, thus leveling out in importance as an alternative social networking platform. The highest rate of Google Plus uptake was, however, noted among banks in Serbia, where the adoption has reached 30% of banks. Bank in Serbia also demonstrated the highest adoption rates of other peripheral social media such as mobile applications and Foursquare at a combined 17%. This could possibly signal maturity in the cycle of social media activities among banks in this country and a new trend for expanding Web 2.0 presence via less saturated platforms. Blogs, on the other hand, remained largely under-exploited in 2014 by banks in the region with only 3-8% of banks having corporate blogs as part of their social media portfolios.

Figure 14: Comparison of banks' social media uptake across countries in 2014.



4.4.4 Social media presence across types of banks in 2014

The summary of the distribution of social media uptake across types of banks in 2014 is presented in Table 23.

Table 23: Breakdown of banks' level of social media presence across bank types in 2014.

January 2014	Domestic banks	SEE bank network	European MNEs	Global MNEs	Total
Banks with no social media presence	10%	5%	6%	1%	22%
Present in just one social media site	10%	6%	8%	3%	28%
Present in two social media sites	5%	6%	7%	1%	19%
Present in three social media sites	3%	2%	8%	0%	13%
Present in four or more social media sites	5%	5%	9%	0%	18%
Total	33%	24%	38%	5%	100%

Domestic banks continued to hold the largest rate on non-adoption in 2014, representing about half of all non-adoption cases in the region. The highest rate of overall presence in social media (in all levels of adoption) belonged to the banks of European financial groups. European banks were also the leaders in multi-site levels of adoption, while banks belonging to the global financial groups largely abstained from engagement that spanned across more than two social media sites. Therefore, the tendencies in the distribution of adoption across types of banks observed in 2013 persisted in 2014 as well. Table 24 provides a matrix with the details of the distribution of adoption of brands of the SEE, European and global banking groups (the number next to the brand names indicate the number of countries in which particular bank had that level of social media presence).

Table 24: Listing of banks networks and their level of social media presence in 2014.

January 2014	SEE bank network	European MNEs	Global MNEs
Banks with no social media presence	NBG (2), Marfin (2), Alfa Finance Holding Bulgaria, Bank of Cyprus, Piraeus	KBC, Societe (2), HSBC, Veneto, VTB Banka, Sberbank	Citibank
Present in just one social media site	Alpha (2), NBG (2), Piraeus, CCB Bulgaira, Halkbank, ATE Bank	Credit Agricole (2), Intesa, Societe, Allianz, Ziraat Bank , Leumi, BNP Paribas, UniCredit,Telenor Banka	ProCredit (4)

Present in two social media sites	Alpha (3), Fibank, NLB, Eurobank, KBM, Piraeus	Raiffeisen, Credit Agricole, OTP, Bayern LB/MKB, Sparkasse, Credit Europe Bank, Intesa, Millennium, Piraeus	Opportunity, ProCredit
Present in three social media sites	NBG, Alpha, NLB, Piraeus	Raiffeisen (2), Societe (2), OTP (2), Piraeus, Veneto, Volksbank, Hypo-Alpe Adria	
Present in four or more social media sites	Eurobank (3),Fibank, Piraeus, Garanti, NBG	Credit Agricole (2), UniCredit (2), Erste (2), Eurobank, Societe, ING, Raiffeisen, Intesa	

No major changes have occurred in the uptake of social media in the cluster of major SEE retail banking brands. The most notable advancements were observed for *Eurobank*, where three of the group's four branches in the sample (branches in Bulgaria, Romania, and Serbia) expanded their Web 2.0 activities to cover a wider array of social media platforms, adding Google Plus, blog, Foursquare and mobile applications to their digital portfolios. Considering the advancements in multi-site adoption and the uptake of new non-mainstream sites observed in these countries earlier, it could be suggested that the example of *Eurobank* is a good illustration of this trend. In the meantime, other brands have also expanded their multi-site activities. In the examples of *Erste, Fibank* and *NLB* all branches in the sample have adopted multi-site social media presence.

On the European banking front, *Raiffeisen Bank* and *OTP* continued to lead in the multi-site adoption. Banks belonging to other European financial groups remained largely at their previously established uptake positions (Table 25). However, as in 2012 and 2013, there was no consistency in the common levels of uptake within the groups across their branches in various countries. Meanwhile, in the cluster of global financial groups, the only advancement in 2014 was noted for *ProCredit Romania*, which made an entry into social media with a launch of a YouTube channel. This brought all of the bank's branches in the sample into the group of social media adopters.

Table 25: Adoption of social media across brands and countries in 2014 [8].

Adoption by brand in 2014		Albania	Bulgaria	FYROM	Greece	Romania	Serbia
SEE banks	**Alpha Bank**	Facebook, YouTube	Twitter, YouTube	YouTube	Facebook	Twitter, YouTube	Facebook, Twitter, YouTube (2)
	CCBank	n/a	Facebook, Twitter, YouTube (2)	Facebook	n/a	n/a	n/a
	Erste	n/a	n/a	n/a	n/a	Facebook, Twitter, YouTube, LinkedIn, blog	Facebook, Twitter, YouTube, linkedIn, GooglePlus, Foursquare
	Eurobank	n/a	*Postbank* - Facebook, Twitter, YouTube, LinkedIn, GooglePlus	n/a	Twitter, YouTube (2)	*Bancpost* - Facebook, Twitter, YouTube, LinkedIn, blog, GooglePlus	Facebook (2), Twitter, YouTube, GooglePlus, Foursquare, apps
	Fibank	Facebook, YouTube	Facebook, Twitter (2), YouTube, GooglePlus	n/a	n/a	n/a	n/a
	Marfin Bank	n/a	n/a	n/a	n/a	none	none
	NBG	Facebook	*United Bulgarian Bank* - Facebook, Twitter, YouTube	*Stopanska Banka AD Skopje* - YouTube	none	*Banca Romaneasca* - none	*Vojvodjanska Banka* - Facebook, Twitter, YouTube (2), GooglePlus

[8] This table does not include Bank of Cyprus, Millennium Bank and KBC, as only one bank under each of these brands remained in the region in early 2014 (due to mergers and foreclosures), thus making cross-country adoption within same brand groups not possible.

	NLB	n/a	n/a	*NLB Tutunska* - Facebook, Twitter	n/a	n/a	Facebook, YouTube, blog
	Piraeus Bank	*Tirana Bank* - Facebook, Twitter, YouTube (2)	YouTube	n/a	Facebook, Twitter, YouTube (2), LinkedIn, Flickr	Facebook, YouTube (2)	none
European banks	**Banca Intesa**	Facebook	n/a	n/a	n/a	Facebook, Twitter	Facebook, Twitter (2), YouTube (3), LinkedIn, GooglePlus
	Credit Agricole	Facebook, Twitter, YouTube, LinkedIn	Facebook, YouTube	n/a	*Credicom* - Twitter	Facebook	YouTube, LinkedIn, GooglePlus, apps
	OTP	n/a	*DSK Bank* - Facebook, YouTube	n/a	n/a	Facebook, YouTube, GooglePlus	Facebook, YouTube, GooglePlus
	Raiffeisen	Facebook, Twitter	Facebook, Twitter, YouTube	n/a	n/a	Facebook (2), Twitter, YouTube, LinkedIn	Facebook, Twitter, YouTube
	Societe Generale	YouTube	Facebook, YouTube, LinkedIn	*Ohridska Banka* - none	*Geniki* - none	*BRD* - Facebook (2), Twitter (2), YouTube, LinkedIn, GooglePlus	Facebook, YouTube, GooglePlus
	UniCredit	n/a	Facebook, Twitter, YouTube, GooglePlus, Blog, Pinterest, LinkedIn	n/a	n/a	*UniCredit Tiriac Bank* - Facebook (2), Twitter, YouTube (2), LinkedIn	YouTube
	Veneto Bank	Facebook, Twitter, Flickr	n/a	n/a	n/a	none	n/a
Global banks	**ProCredit**	YouTube	YouTube	YouTube	n/a	YouTube	YouTube, GooglePlus

Table 26 provides an overview of the top three banks in each country in 2014 terms of the highest number of followers for three of the most popular social media sites: Facebook, Twitter and YouTube. The purpose of the table is to provide additional perspective into the dynamics of social media activities among banks in the region. The table was designed to illustrate which were the leading banks in the region not in terms of the levels of social media adoption (discussed in previous sections of the text), but in terms of the volume of followers obtained by 2014. This is an important distinction, as the purpose is to showcase how numbers of followers for each social media site differ across countries and banks in the region. (The "launch date" column was added next to each bank and channel in order to provide a comparative insight of the relation between the time span of activities and the volume of followers/views achieved.) (Note that in case of FYROM there is only one bank listed among top performers, since in this country only one bank had the presence in Twitter.)

Out of 32 banks in the table with top followers in popular social media sites, 8 banks had one-site presence only; the remaining top performers had social media activities which spanned across multiple Web 2.0 platforms. Among top performers the most represented were banks that had *"presence in four or more social media sites"* (12 banks), followed by banks with *"presence in two social media sites"* (6 banks) and with *"presence in three social media sites"* (6 banks). This suggests a link between the breadth of banks' social media activities (in terms of the wide span of social media coverage) and the volume of followers.

Banks belonging to the European financial groups were predominant top performers (12 banks), followed by SEE-centric banks (11 banks), domestic banks (8) and 1 bank belonging to the global financial group. European financial brands also dominated as banks with most followers on Twitter (6 cases out of 16) and most views on YouTube (7 cases out of 18), while on Facebook each type of banks enjoyed equal share of high volume of followers (6 cases in each cluster, except in "global banking groups"). This suggests that by early 2014 European banks were not only the leaders in terms of the adoption of social media but also in the volume of followers in the popular Web 2.0 platforms.

Table 26: Bank brands with most followers in top social media sites in 2014.

	Facebook			Twitter			YouTube		
	Bank	*Launch date*	*Followers*	*Bank*	*Launch date*	*Followers*	*Bank*	*Launch date*	*Total views*
Albania	Credins Bank	June 2012	12.419	Veneto	November 2010	1.116	Societe Generale	September 2010	15.027
	International Commercial Bank	December 2011	9.628	Tirana Bank (Piraeus group)	June 2011	69	ProCredit	December 2012	7.870
	Alpha Bank	September 2012	6.663	BKT	May 2013	42	BKT (new channel)	March 2013	2.493
Bulgaria	UniCredit Bulbank	November 2008	39.025	Fibank	2010	2.871	Societe Generale	March 2013	85.777
	Raiffeisen	July 2011	33.083	United Bulgarian Bank	October 2009	508	Fibank	April 2009	62.351
	DSK Bank	July 2013	23.528	Raiffeisen	September 2012	467	UniCredit Bulbank	May 2011	52.622
FYROM	NLB Tutunska AD Skopje	January 2012	7.703	NLB Tutunska	March 2010	406	Stopanska Banka AD Skopje (NBG group)	September 2011	39.766
	Halkbank	November 2012	5.730				TTK Banka	June 2010	4.999
	UNIBanka	August 2012	3.031				Alpha	June 2012	1.578
Greece	WIN Bank	2009	34.770	WIN Bank	June 2009	1.891	Piraeus Bank	2009	102.757
	Piraeus Bank	2011	32.580	Piraeus Bank	February 2011	799	Eurobank	2011	30.852
	Alpha	2010	18.720	Eurobank	November 2011	720	WIN Bank	2011	29.020
Romania	Banca Comerciala Romana (Erste group)	May 2010	302.729	ING Bank	August 2010	3.443	UniCredit Tiriac Bank	April 2012	1.351.814
	Banca Transilvania	May 2011	278.177	Banca Transilvania	February 2010	579	Banca Transilvania	October 2008	978.611
	ING Bank	November 2010	201.533	Banca Comerciala Romana	2010	546	Banca Comerciala Romana	June 2010	846.803
Serbia	Banca Intesa	July 2011	100.902	Banca Intesa	July 2011	4.664	Erste Banka	September 2009	144.533
	Komercijalna Banka	May 2011	86.112	Erste Bank	December 2009	2.373	Banca Intesa	January 2009	140.651
	Alpha Bank	December 2009	63.832	Komercijalna Banka	May 2011	1.478	Komercijalna Banka	February 2008	83.963

Among the most prominent European banking brands with high number of social media followers were *UniCredit, Societe Generale,* and *Erste Bank, w*hich attracted the highest volume of followers in several countries of the sample. Surprisingly, despite broad spectrum of social media adoption in the countries of the SEE region, *Raiffeisen Bank* attracted the largest number of Facebook and YouTube followers only in one country (Bulgaria). Similarly, *Banca Intesa* was also noted as the leader in terms of followers only in Serbia, while its activities in other countries of the sample did no yield large number of online followers. Additionally, despite active Web 2.0 engagement in all of the countries of the sample, none of the branches of C*redit Agricole* group were top performers in terms of online following in either of the popular social media platforms.

In the SEE-centered cluster of banks the most prominent were the activities of the regional branches of *Alpha Bank* and *Piraeus Bank*, which had the highest rankings in terms of social media followers in the total of 4 countries in the sample (for various sites). Meanwhile, among banks belonging to the global financial groups, the only top performer was the Albanian branch of *ProCredit Bank* with second highest volume of YouTube view among the banks in the country.

It is interesting to note that in only 6 cases there was consistency in high follower ranking for a single bank across all three social media sites. The most consistent top performers were banks in Serbia *(Banca Intesa* and *Komercijalna Banka),* Romania *(Banca Transilvania* and *Banca Comerciala Romana (Erste group))* and Greece *(Piraeus Bank* and *WIN Bank),* which attracted the highest numbers of followers in Facebook, Twitter as well as YouTube. The most scattered rankings were noted in Albania and FYROM, where different set of banks were ranking as top performers for each site.

In terms of the actual numbers of followers in social media, there were large discrepancies across countries. The most dramatic illustration is the comparison between top performers on Facebook such as banks in Romania (201.533 – 302.729 followers) and banks in FYROM (3.031 - 7.703 followers). Large differences could also be noted in the numbers of YouTube views for banks' channels, whereby the top performer in Romania attracted over one million views (*UniCredit Tiriac Bank)* while top viewed YouTube channel of a bank in FYROM attracted only a little over 1,500 views. This could be explained through the observation that the overall level of social media activities was linked to the high performance in terms of followers. Thus, as Romania and FYROM represent opposing polarities in the terms of the levels of social media adoption among banks (Romanian banks being some of the most advanced, while banks in FYROM being the laggards), the differences in the levels of followers among top performing banks are understandable.

Less drastic discrepancies were observed among Twitter followers, where the highest performing was *Banca Intesa* in Serbia (4.664 followers) and the weakest (albeit not in the country of operations) were banks in Albania with numbers of followers only in double digits. Considering that Twitter was only the 3rd most popular site among banks in the region consistently throughout 2012-2014 period, the significantly lower level of followers (in comparison to Facebook) could be linked to the comparatively lower level of overall Twitter adoption by the industry in the region. Nevertheless, there were no drastic discrepancies among top performers within the same country, with majority of banks maintaining relatively close levels of followers across social media. (The only exceptions were banks in Albania, where there was a large gap in Twitter followers between top ranking banks).

Finally, time of launch of social media pages appeared to influence the number of followers among banks and their placement among top performers. For instance, among banks with largest follower base on Facebook, majority had launched their Facebook pages in 2011 (6 out of 18 banks), with other 6 banks launching their pages in 2010, 2009 and 2008. Similar trend can be observed among Twitter and YouTube top performers. Majority of leading banks on Twitter had their accounts since 2010 (6 banks out of 16), while vast number of banks with top YouTube views had their channels established before 2012 (13 out of 18). Banks with top followers had the time advantage over later adopters in building their online audiences and surfacing as the leaders in social media. Thus, time and duration of social media presence were important dimensions for building leadership in popular social media.

Additionally, it is interesting to add an observation that the placement of social media icons on banks' official websites could have also contributed to the performance in terms of followers. Table 27 summarizes how many Web 2.0-active banks had added social media buttons to their official websites and how this trend developed from 2012 to 2014. A more detailed account of the development of this trend across brands is available in Appendix E.

Table 27: Embedding social media icons on official websites among Web 2.0-active banks 2012-2014.

	Facebook			Twitter			YouTube		
	2012	*2013*	*2014*	*2012*	*2013*	*2014*	*2012*	*2013*	*2014*
Albania	14%	10%	54%	0%	0%	50%	0%	0%	50%
Bulgaria	30%	38%	65%	14%	27%	30%	25%	18%	46%
FYROM	29%	37%	57%	0%	0%	0%	0%	0%	17%
Greece	67%	60%	67%	50%	60%	75%	71%	62%	100%
Romania	29%	50%	62%	18%	21%	36%	0%	7%	21%
Serbia	54%	61%	78%	60%	83%	82%	42%	64%	65%

It is evident from the table that there was a growing trend in 2012-2014 period among banks in all countries to promote their social media activities by adding Facebook, Twitter and YouTube icons to their main websites. This is an important notion, as availability of social media icons allows banks' website visitors to discover banks' social media pages directly from the source. Out 32 top performers in terms of online followers, 20 banks had had embedded social media icons to their official websites, 11 of which had done so before 2012. It can be argued that this parameter could have helped banks gather large follower bases and helped them earn placement among top performers in terms of numbers of followers.

Chapter 5: Case Studies

5.1 Overview of this chapter

The following chapter presents the findings from the case studies portion of the research. Each case study presents a unique bank approach to the RM and a unique take on social media adoption in marketing and its role in bank's marketing strategy. Cases were built utilizing the data obtained from the interviews with the top bank management of each bank, from the official documentation issued by these banks, as well as from the data obtained in the web-based Observation Study on banks' rate, scope and form of social media uptake during the 2012-2014 period. Thus, this chapter can be considered as an extension to the knowledge obtained from the Observation Study, and can be regarded as a more in-depth, "insider" look at the banks' perceptions about the role of social media. While the Observation Study offered a general overview of the levels and the progress of social media uptake among banks in the SEE region, the findings presented in this chapter offer more detailed insights about the strategies behind the different forms of social media adoption (or lack thereof).

The chapter is organized to present findings on the case-by-case basis, followed by a discussion on the cross-case analysis and insights. Portions of this text with the preliminary findings and interviews with managers were also published in an article form in a peer reviewed journal[9]. This is important to acknowledge this, in order to explain possible overlaps in the narrative and structure of the text with those of the published article (please see the footnote for a full reference). Moreover, this fact demonstrates the value of the research conducted under the case studies and highlights its contribution to the academic community.

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[9] Mitic, M., and Kapoulas, A. (2012) Understanding the role of social media in bank marketing, *Marketing Intelligence & Planning*, Vol. 30 No. 7, pp.668 – 686.

5.2 Case Study 1: Bank A

5.2.1 Bank's profile and RM approach

Bank A is among the top three of the largest and oldest commercial banking institutions in Greece, with over 500 branches in the country and a wide presence across the SEE region via subsidiaries in Albania, Bulgaria, FYROM, Romania, Serbia, and Turkey. In addition,the bank has a wide international presence in other countries of the Western Europe and Africa, as well as in Australia. Bank A's scope of business includes retail and corporate banking, investment banking, insurance, brokerage, asset management, and leasing. In the retail sector, the bank offers a wide spectrum of services and products targeting mass consumer markets, which span across categories such as deposits, loans, credit and debit cards, insurance, investments, payments, online and mobile banking, as well as private banking. Bank's retail services are divided across three customer segments: youngsters and students, families and employees and private investors.

Such approach to market segmentation is typical for the industry (Chau and Ngain, 2010). It is founded on the common practice in the retail banking industry, whereby the RM efforts are efficiently optimized by dividing the market into distinct customer groups, each of which requires a targeted marketing approach (Liang and Chen, 2009). Interviews with bank's management helped unveil Bank A's marketing strategies across different customer segments.

Bank's private banking service is the focal point of the bank's RM program. It focuses on promoting *"trust, confidence and professionalism"* for the loyal high-value individual clients in the retail mass market (as explained by Bank A's Manager 1). For private banking clients, the RM efforts focused on promoting the accessibility to the through a wide network of branches and offices. The goal of this program was to offer reliable, high-quality services to clients, personalization of service packages, easy access to bank's service checkpoints and the expertise and consultancy related to the management of personal finances, wealth and investments. According to Bank A's Manager 1, this program stressed highly the value of the "person-to-person" approach in client management. In practice, this translated into marketing efforts that emphasized bank's wide network of branches the across country. The strategy aimed to communicate to clients the accessibility of the bank to its valued clients and the proximity of its high-end personal banking services, available to clients in any part of the the country at convenience. In this sense, the emphasis was on the personal approach to clients. Moreover, the attention was brought to Bank A's competent teams of experts, stressing Bank A's trustworthiness, professionalism and commitment to clients. Bank's private banking services had received numerous awards and acknowledgements for being among the best of its kind in Greece in the past years.

Marketing efforts in the segments of youngsters and students, families and employees were of different focus in terms of the promoted elements. For these mass consumer segments, there was no evidence of highly-tailored RM-oriented marketing strategies. Instead, the emphasis was placed on the efforts to promote remote channels of service delivery, including mobile services, phone banking, Internet-based online banking, card payments, network of ATM outlets for remote transactional services and automated payment systems (APS). Interviews with bank's management revealed that the rationale for such different marketing approach with the mass consumer segments of students, families and employees. According to the interviews with managers, the focus on promoting remote services was based on the belief that these segments consist of a large volume of individual low-value accounts, which required optimization of the costs of servicing in order to be profitable for the bank. Thus, the character of marketing approaches for these segments skewed towards promoting the efficiency of the service delivery and the effectiveness of the remote banking solutions.

Such marketing strategy is quite common in the retail banking industry. Banks often adhere to this practice, whereby balance in the composition of the client portfolio is sought and different customer segments are targeted according to their assessed profitability for the bank (Kapoulas et al, 2002; Liang et al, 2008). This often entails the practice of promoting the streamlined remote services to the retail markets of low-value mass consumer accounts, while reserving marketing of value-added services exclusively to the high-profit client segments, with a focus on the benefits of bank-mediated wealth-management services (Kapoulas et al, 2002; Liang et al, 2008).

5.2.2 Bank's scope of online presence

The focal point of Bank A's online presence is its corporate website. Bank A has a comprehensive website, which provides information about the bank's services to all customer segments, and has an integrated platform for online banking. This platform allows customers to perform remote transactional operations (e.g. transfers, payments, account management etc), and is heavily oriented towards transactional needs of the mass customer segments. A significant portion of the bank's online marketing content was oriented towards assuring the customers of the safety, efficiency and the trustworthiness of bank's online banking system. This included content such as interactive online tutorials about the advantages of the use of online banking services and complementary educational material about how to use online banking safely and efficiently.

Interviews with the management revealed that a large portion of bank's marketing efforts targeting mass consumer markets was directed at promoting bank's online banking services. Nevertheless, management revealed that efforts to promote adoption of online marketing services among mass consumer population were met with limited success. Managers expressed beliefs that some of the main obstacles in the effectiveness of marketing efforts to promote online services included the difficulty of persuading consumers to replace traditional branch-based consumption of banking services with the use of online systems and to rely on online services for performing basic transactional operations. From the managerial perspective, the perceived *"non-familiarity with the electronic systems of the existing generation"* was one of the main impediments to the adoption online services, which effectively *"acts as a block"* for customers, as explained by Bank A's Manager 2.

According to Manager 2, this impediment was attributed to the *"culture"* of business conduct in Greece and an observation that Greek *"[banking] industry is still based on branches"*. As stated in one of the interviews:

"The electronic computerized marketing relationship approach is not yet so familiar because it is not yet so well-known" (Bank A, Manager 2).

Online banking is therefore heavily targeted towards "younger" customer population. This strategy is based on the assumption that the generation growing up with the online technologies would be more responsive to conducting exchanges with banks online. Nevertheless, despite bank's efforts to heavily promote its online services to the "young" population of clients, these efforts enjoyed limited success. According to managers, the reason lies in mass client segments' strong preference for the traditional branch-based format of exchanges with banks. This observation was also confirmed by the literature, which revealed that that only 10-18% of customers in Greece used online banking services (Santouridis et al, 2009), and that 89% of customers stated *"deficiency of information"* as the primary reason for low online banking uptake (Mavri and Ioannou, 2006).

5.2.3 Bank's stance on the role of social media in RM

Interviews with bank's managers took place at the time when Bank A did not have an established official presence in social media. Managers revealed that Bank A was not engaged in direct presence in social media sites at the time, but was actively monitoring and collecting information from social media about what the online community was saying about the bank and in what context the online community discussed bank's image and its role in the banking industry in Greece. Thus, social media were observed and used as a source for gathering intelligence about consumer sentiments towards bank's brand online.

The interviews with banks' management were largely based on the discussion about the premises behind Bank A's lack of direct engagement in social media at the time and about bank's visions on the role of social media in RM and marketing in the retail sector in the future. Interviews with bank's management revealed some interesting themes about the perceived attributes of social media that were regarded as impediments to the adoption of social media as an integral part of the RM strategy.

One of the important themes observed in the interviews with the managers of Bank A was the perception that social media lacked the element of reliability in order to be utilized by an institution such as a leading retail bank in the country. Managers expressed concerns that the nature of the popular social media channels was such that they were perceived as *"not serious"* enough for banking (as stated by Manager 1). In the light of this argument, social media were perceived to be clashing with the type of image that Bank A aspired to project. This image which was strongly founded on the concepts such as tradition, longevity, endurance, stability and trustworthiness. Similar observation was noted by Klimis (2010, p.16), who observed that in relation to social media adoption: *"The response from the retail banking sector has been more hesitant, due to the serious and conservative profile that banks traditionally maintain."*

Moreover, another important theme constructing the reluctance to adopt social media at the time, was the concern over control over content posted in social media. Managers were wary of the liberal character of the exchanges that take place in social media and expressed concerns over how the integrity of the bank's image could be preserved if the bank opened the doors to communications with publics in such highly uncertain online setting.

Literature on social media adoption among banks also identified similar points of concern. Despite the encouragement for banks to adopt social media and to reap the benefits of interactive online communication with customer, authors such as Pry (2010) suggested that banks should preserve cautious stance towards social media marketing. The author pointed out that social media presence inherently bears the risks of the exposure to possible security attacks and fraudulent activities in the non-regulated Web 2.0 setting. Banks were considered especially susceptible to such risks, under the rationale that the nature of banking business is by default rather sensitive, and requires high security and privacy protection measures (Pry, 2010). Hence, managerial concerns were also supported by the literature.

However, interviews with bank's managers revealed also interesting speculations about the circumstances under which the social media adoption would be considered appealing. Management expressed belief that social media marketing would be an especially suitable strategy for smaller banks in the country, seeking innovative and alternative ways to approach mass markets and to differentiate their brands from the competition in the already saturated marketplace. Managers speculated that in this sense, social media marketing could be regarded as a possible source of differentiation and even a competitive advantage for the banks with smaller market shares in the country. This view was in line with the observations found in the literature, suggesting that social media was a lucrative marketing strategy for new market entrants to the retail banking sector, as well as for small-size institutions striving to enlarge their market shares and to attract customers (N'Goala, 2010).

However, the managers of Bank A further argued that due to the fact that Bank A was already in the leading position in the country (in terms of its market share) and had one of the longest histories of presence in the Greek banking market, social media adoption was perceived as redundant at the time. The rationale was based on the arguments that Bank A had already enjoyed the advantages of a well-established and extensive customer base, built on long-lasting relationships with clients. Hence, social media were perceived to have little value for the bank in terms of RM or as a strategy of differentiation. This view was also supported by the literature and the argument that banks with a steady presence in the market and strong bonds with clients should be cautious about novelties. Instead, they should focus their marketing efforts on promoting the reliability of the bank and its services (N'Goala, 2010).

As an extension to this theme, the management of Bank A further explained that the pressures of the recent economic recession had also influenced bank's approach to marketing. Emphasis was placed more on the traditional means of communication with clients rather than on experimentations with the new trends. From the viewpoint of bank's management, the recession enlisted the need for a cautious approach to communications with clients and the need to assure the clients of the bank's credibility, stability, trustworthiness and the ability to withstand the economic challenges. Hence, *"more conservative banking approach"* and *"traditional"* marketing were priorities, which *"by definition left the modern tools out"*, as suggested by Bank A's Manager 2.

However, literature offereed contrasting arguments about the role of social media in bank marketing in times of financial turmoils. It was acknowledged that the "collapse of trust in financial services" on the global levels had placed pressures on the relationships between clients and their financial service providers (Stone, 2009, p. 102). As highlighted by Sone (2009, p. 104): *"The importance of staying close to customers in "interesting times" has increased"*. Based on this notion, the literature argued that social media marketing could pose as an opportunity for the banks to reach out to customers and re-instate their trust (Stone, 2009). Such practice was observed by Klimis (2010) even among conservative banks, which were observed to adopt with the trend at an increasing pace.

Furthermore, several other themes were observed in the interviews with the management, and they contributed to a better understanding of the bank's stance on social media at the time. According to one of these themes, there was a belief that the adoption of social media would not necessarily change the way relationships with clients were established and developed. Social media, along with other remote digital means of communications, were perceived to lack the power necessary for mediating relationships between the bank and its clients. The rationale was based on the premise that in the case of Bank A, the in-person, face-to-face interactions between the client and the bank were the foundations on which relationships with customers were built. In other words, traditional means of communications with clients were perceived to be more powerful than any form of interactions using remote channels, including social media. As argued by Bank A's Manager 2:

"There is no non-physical banking relationship at the moment and I am not sure that it is going to be in the near future. There is a need of the physical contact in some part of the discussion."

This notion was also observed in the literature (Kapoulas et al, 2004; Liang et al, 2008). As noted by past research in the domain of e-relationships in the banking sector and online RM efforts, the in-person contact was too important for the formation of relationships with clients and too powerful to be forsaken in favor of online trends (Liang and Chen, 2009).

From the viewpoint of Bank A's management, the notion that consumers demanded *"traditional customer relationship management"* was perceived to have roots in the culture and the ethos of conducting banking business in Greece. As expressed by Manager 1, the *"mentality of Greek people"* essentially demanded that the interactions with organizations accommodate some elements of social interaction (e.g. casual conversations and small talk with bank tellers). This was a necessary element accompanying business transactions, important because it allowed customers to feel comfortable and safe when conducting business with the bank. As expressed in one of the interviews:

"At the moment there are people who want to go to the bank not because they cannot without the physical presence, but they prefer to go there because they want to have also personal contact, the possibility of a discussion. We prefer to speak to Olga, or Maria, or Giannis, or to Nikos, than to neutral electronic system" (Bank A, Manager 2).

This non-formal social aspect of the ethos of business conduct in Greece was perceived to be the key to establishing the trust between the clients and the service providers. It was perceived as the essence of the concept of a relationship between a customer and a bank.

Literature confirmed that culture played an important role in client-bank relationship development. Social interactions were often considered crucial for creating the sense of affiliation between the customer and the organization (Sigala, 2006; N'Goala, 2010). Countries such as Greece have a collectivist culture, where strong emphasis is placed on the social bonds (Dodd and Patra, 2002). This justified some of the management's assumptions about the requirements for RM to accommodate in-person communications with clients. This also helped explain the rationale that social media could play only a minor role in supporting bank-client relationships.

Nevertheless, despite these presumptions, managers of Bank A expressed positive and optimistic views about the role interactive online communications such as social media in bank's future marketing efforts. As suggested by Manager 1:

"It would be very near. At the moment it is not feasible, but I think in let's say 1 or 2 years time it will be."

As a support to this view, managers shared their views regarding the requirements for the progression towards more Web 2.0-enabled RM strategies. Themes included references such as: "technology" (in terms of the electronic infrastructure of the bank's online communication systems and the accessibility to broadband Internet to the wide population of customers); organizational culture and staff resources capable of "dealing with customers in a non-physical way"; "cost efficiency" (in terms of justified investments and demand for online communication initiatives); the design and format of such form of communications that would be appealing to customers; and "transparency" (in terms that the use of social media would be protective of customer data and bank's reputation). While managers expressed confidence in the bank's capabilities in regards to technological and organizational resource requirements, the issues of transparency, data protection and the selection of online communication formats appealing to the broad customer population were the points considered of need of further development for the bank in order to support customer relationships in the online setting.

5.2.4 Bank's alternative marketing approach

It was described earlier in the text that Bank A opted to focus its marketing efforts in the mass consumer segment with promotions focusing on the online banking services. However, as managers observed, the effectiveness of these marketing efforts was limited due to the need to re-assure clients of the safety and trustworthiness of remote banking services. In order to alleviate the situation, bank developed an alternative marketing strategy.

In 2011 Bank A launched a special business division specializing in remote and online services and communications with clients. The initiative began with the opening of a range of specially-created tech-hubs designated to promote exclusively bank's electronic services (e-banking, phone and mobile banking, ATM, APS etc) to mass markets. These specialized tech-hubs were launched with a purpose of providing customers with assistance as well as education on how to use the remote online banking services. The hubs were launched in the high-traffic commercial areas in big cities. The hubs were equipped only with the hardware for the delivery of the remote services (ATMs, computers for online banking etc) and the personnel, who guided customers through the processes of using electronic services, assisted customers during difficulties and helped customers not acquainted with the remote banking to become more familiar with these electronic alternatives. The concept of these hubs was to create a friendly, social environment for customers, which would re-create the atmosphere of the traditional branch-based banking but would focus on promoting exclusively the electronic banking services.

The idea behind this initiative was to help introduce customers to the electronic banking services in a non-intimidating and friendly manner. It combined bank's vision for pursuing online mode of exchanges with consumers in the mass market, while accommodating customers' their need for in-person interactions. The marketing efforts for this initiative focused on promoting bank's intent to *"remain close to the customer"* during the gradual transition to remote services, while still pursuing the goal to *"continue to build relationships of trust"* (as stated in the official press release issued by the bank). This alternative marketing strategy allowed Bank A to introduce customers to the electronic services, support existing relationships and to initiate new ones, while maintaining the control in interactions with clients.

Insights from the literature provide arguments in favor of such approach. According to Liang et al (2008), in the cases when bank customers experience a lack of confidence in certain type of services (e.g. online banking), value-added initiatives that reduce the information deficiency can contribute to a greater trust in the organization and can enhance the likelihood of a positive rapport. Providing better information about the services was also linked to a greater reliability in the service provider (Santouridis et al, 2009). As argued by Santouridis et al (2009, p. 235): *"Banks in Greece have to make a substantial effort to improve the quality of their internet-based services, when it comes to the provision of personalization facilities and the performance of the promised service."* Hence, the case of Bank A appears as an interesting example of an alternative approach of initiating the transition towards online modes of service delivery, while observing clients' preferences for the manner in which relationships with banks are supported.

It is interesting to note that as a part of the growth strategy for the tech-hub initiative, Bank A initiated the adoption of social media marketing. This occurred during the period between late 2012 to mid-2013, and was captured in the Observation Study. Thus, managers' predictions about the possible adoption of social media in the coming years were confirmed. Social media adoption for Bank A began in November 2012, when the bank launched its YouTube channel. By 2014 this chanel accumulated over 2,5 million views. In May 2013 Bank A's Facebook page was launched, generating close to 8,000 followers by early 2014. This was followed by a launch of Bank A's Twitter account in August 2013, which observed considerably slower growth and accumulated around 250 followers within the first 6 months since its launch. Social media icons leading to these accounts were also embedded on Bank A's website. Although enjoying relatively rapid growth in terms of the numbers of followers and views attracted, these social media pages, however, did not reach the leading positions in social media in comparison to the pages of other social media-active banks in Greece.

It is important to highlight that Bank A opted to launch these social media accounts with the strategy to affiliate them only to the bank's tech-hub division, rather than to the bank's main corporate brand. Thus, consumers searching for bank's presence in social media would encounter only pages dedicated to the bank's tech-hub and branded under its name, while pages marketing the bank as a whole did not exist. This is an important insight, which reveals an interesting premise about Bank A's social media strategy. It suggests that the bank expressed readiness to explore the marketing opportunities in social media and found the way to accommodate social media adoption with bank's essentially traditional brand image. This was achieved by affiliating the social media pages only with the tech-hub business division dedicated to the remote and online banking services. Thus, Bank A effectively created the space for experimentation with social media, at a safe and controllable distance from its core brand. This is an interesting strategy of approaching social media marketing in banking. However, the launch of social media presence was not accompanied with any indication of its possible role to support relationships with customers in the online setting. Hence, it remains to be seen how social media engagement will evolve for Bank A in terms of the RM strategy.

5.3 Case Study 2: Bank B

5.3.1 Bank's profile and RM approach

Bank B is one of the largest banking institutions in FYROM, with over 60 years of experience in corporate and retail banking. It is a subsidiary of one of the largest European financial groups in corporate and investment banking in the Euro-zone. In FYROM Bank B has a presence through a network of 29 branches across the country, which is a fair coverage considering the small size of the country and its population. Bank B offers a range of services in the retail sector: savings and deposit accounts, credit and loan services (mortgages, student loans, cash credits, etc), securing deposits, and remote banking services (credit card transactions, ATM and e-banking). In the past years, Bank B was awarded with numerous recognitions for its performance, including awards such as "The Best Bank in FYROM" in 2010 by Euromoney, "Superbrand" in 2009, as well as awards for its corporate social responsibility initiatives and for continuous growth, despite global financial crisis.

Bank B's marketing strategy in the retail segment could be characterized as product-centric and focused on the promotion of traditional banking services. According to bank's managers, the rationale for such marketing approach was based on the premise that the retail banking sector was of secondary interest for the bank, while the main focus for the bank was to leverage the strength of its corporate business. As argued by managers, due to the relatively small size of the country (population of only around 2 million) and due to relatively low level of the country's economic development, the retail sector offered limited scope for growth. Traditional product-centric marketing was still relevant for retail banking in this country and was considered sufficient for the targeting the mass population of retail clients.

Managers explained that such approach was typical for the banking industry in FYROM. Based on their observation,s the banking industry in FYROM was by large oriented towards corporate banking, in order to promote investments that would support country's economic growth and development. Corporate clients were seen as more attractive segment for the banks, as they provided greater flow of resources into financial institutions. Hence, marketing efforts were more oriented towards targeting corporate clients. In terms of the marketing strategies for the sector of retail banking, Bank B's strategy was primarily focused on attracting and acquiring new clients for the purposes of expanding the volume of clients served. As a result, Bank B had a relatively underdeveloped RM program in the retail segment. Instead, the focal point of the bank's RM efforts was on its corporate client sector.

A supporting evidence of Bank B's transactional approach was the fact that Bank B did not offer a wide range of supporting customer services to its retail clients. For instance, the bank did not have a call center to accommodate the inquiries of its retail clients. The need for improvements in marketing to retail clients and the need for a more customer-centric approach was recognized by the management. However, according to the interviewees, the plans for advancing marketing for the retail segment were progressing slowly, and required substantial amount of time to be converted into actionable campaigns. Management acknowledge the problem that the projects devised for the improvements of servicing for retail sector were perpetually postponed. This was attributed to the fact that for Bank B the situation dictated *"priority on investments with quick returns"*, and investments in the retail segment were perceived to require long-term commitment in order to render profits (as stated in the interview with Bank B's Manager 2). This obstructed the development of marketing programs for the retail sector and was the reason why Bank B placed greater emphasis on marketing to the corporate clients.

Such marketing orientation is not uncommon in the banking industry. Literature observed that the effectiveness of the RM approach in the retail sector in banking was debatable. The possibility of achieving a balance between a transactional and relationship-oriented marketing was questionable (Carson et al, 2004; Kapoulas et al, 2004; Walsh et al, 2004). The question of whether the RM approach is feasible in the retail banking sector is also raised. The efficiency of relationships was questioned by Liang et al (2008) and N'Goala (2010), who argued that investments in marketing relationships with mass market of clients were not always profitable for commercial banks. Therefore, the example of Bank B could serve as an illustration of an instance where RM in the retail sector was not a feasible solution.

5.3.2 Bank's scope of online presence

Bank B's corporate website was the sole form of online presence for the bank. Bank's website was designed to offer basic information on banks' products and operations, but served limited function as a marketing channel. Managers of the bank acknowledged that in comparison to its counterparts in other European countries and the group's foreign subsidiaries, the scope of Bank B's online presence was rather modest and under-developed. Managers explained that the bank monitored the advancements in online communications initiated by other members of its group in Europe in the aim to learn from their approaches and to explore the possibility of adopting novel online marketing initiatives.

During the time when the interviews with bank's management were conducted, Bank B's online presence was undergoing an overhaul. An initiative was proposed to re-design bank's corporate website, in the aim to refresh and modernize its look and, more importantly, to introduce the platform for online services to retail customers. The goal of that project was to introduce online services to retail clients, with the hope to induce the growth in retail transactions via remote services.

While discussing this project at the time of the early stage of its implementation, bank's managers also identified several impediments which stood before the bank and its ideas for advancing marketing in the online domain. According to bank's managers, one of the main obstacles was the difficulty of justifying the investment in the electronic channels, considering the low breadth of adoption of electronic business in the country. As highlighted in one of the interviews: *"There must be a math in there"* (Bank B, Manager 1). Due to limited resources, bank's expansion into broader online marketing initiatives was regarded as an expense that could not be justified as it *"does not offer an immediate recovery"* on investments (as stated by Manager 1). Hence, this was identified as one of the impediments obstructing the bank's plans to broaden its online marketing strategies.

In addition, managers also identified that the pressure for rigid controls over marketing investments in banking was one of the obstacles to advancements in online marketing. The pressure was stemming from the need for austerity in bank's marketing spending, in the aftermath of the recent economic crisis. As voiced by managers, in small and economically challenged countries such as FYROM, it is generally difficult for banks to develop profitable retail banking business, as customers have small financial power ,which leaves banks with a limited scope for introducing new innovative marketing offerings. This was perceived to have an effect on the slow adoption of online marketing strategies as well.

Another theme identified by managers as the reason behind bank's under-utilized online marketing channels was the problem of bureaucracy. According to managers, as a subsidiary of a foreign banking group, Bank B had the obligation to align its practices with the standards of its mother-group, for the purposes of maintaining the integrity of the brand and aligning with its business credo. In practice, this oftentimes meant that marketing advancements were impeded due to lengthy processes of seeking the approvals from the mother-organization and overcoming the related bureaucratic challenges. Although managers recognized that bank's affiliates in other European countries were more advanced and progressive in their online strategies, the bureaucratic obstacles, paired with limited resources for marketing investments proved to pose as serious challenges for Bank B, impeding the developments of its online initiatives.

5.3.3 Bank's stance on the role of social media in marketing

At the time when interviews with the managers of Bank B took place, Bank B did not have an officially established presence in social media. Data from the observation study revealed that in the following years, bank's status regarding social media uptake did not change, and that by early 2014 no evidence of bank's advancements for adopting social media were observed. In contrast, bank's affiliates other countries of the SEE region (banks belonging to the same European group and carrying the same brand name) displayed more active stance towards social media adoption. Subsidiaries in Albania, Bulgaria, Romania and Serbia had very active Web 2.0 presence especially since 2013 and onwards. Their social media presence spanned across multiple social platforms such as Facebook, YouTube, GooglePlus, Twitter and LinkedIn. Thus, in comparison to its group, Bank B was lagging in terms of social media adoption.

Insights from the interviews with bank's management could provide some insights that could possibly explain the reasons for bank's inactivity in social media. According to one of the bank's managers, social media adoption was not an urgent matter for the bank. From the manager's' viewpoint, the level of Web 2.0 uptake among banks in FYROM in 2012 was relatively low, and thus did not give signals to Bank B that it would become a must-have marketing strategy for banking in the country. Bank B's Manager 1 noted that while social media engagement was rapidly developing among bank's affiliates in other European countries, there was "no room" for a broad spectrum of social media adoption in the local market in FYROM.

Insights obtained from the Observation Study could also corroborate these managerial assumptions. Data collected by early 2014 revealed that the scope of social media adoption among banks in FYROM was one of the lowest for the industry in the region, where 33% of banks did not have any presence in social media. Those banks that were active in Web 2.0 platforms had a rather reserved span of activities, limited only to one or two channels, such as Facebook and/or YouTube. This data aligned with management's observations that the uptake of social media by the local banking industry was in an embryonic stage, and that organizations were still exploring and learning how to utilize social media professionally. Literature acknowledged the readiness of the market to adopt social media is one of the determinants of the overall role of social media in the banking industry and its RM programs (Stone, 2009). Stone (2009) suggested that many organizations would struggle to make advancements in the Web 2.0 domain and that certain markets could be expected to exhibit lower readiness to pursue engagement in the Web 2.0 channels.

For the management of Bank B, another obstacle to social media adoption was the difficulty of securing the financial resources for the investments in interactive online marketing. Bank's management defended the view that, as any other marketing strategy, Web 2.0 engagement should be regarded as a form of investment in the bank's business, and as such should be justified in terms of the expected returns on investment. As suggested by Manager 2, returns on investment in marketing were seen to be directly dependent on the demand from customers for novel communication channels with the bank. As one of the managers explained:

"If we have critical volume of customers with which we could improve the operations, then there will be no questions regarding investments. But unless they have return on investment, they don't provide you improved services – it's in vain" (Bank B, Manager 2).

Manager explained that in order to justify investments in social media, the bank would need a steady proof of the existence of a "critical mass" of customers who "demand" this type of interaction with the bank. In the eyes of bank's management, there was a lack of hard evidence that bank customers in FYROM demanded such form of online interactions with the bank. Hence, management considered the expansion into online marketing as an expense which could not be fully justified.

The debate about justifying the investments in new online marketing channels was also observed in the literature. Despite the *"increasing economic role of the Internet"* (Liang et al, 2008), for some banks online marketing remained an investment that required a second thought and a stronger evidence of financial worth. Scarborough (2010) identified common opinion among bank managers that: *"It is more efficient for customers to go directly to a bank's website, than to communicate through social media"* (p. 24). Insights by Klimis (2010), however, disproved this belief, suggesting that using social media to support customer queries could be up to 87% more affordable than traditional banking. For Stone (2009) this was recognized as a common trap organizations typically fell into. Stone (2009) criticized banks for creating their marketing strategies on *"poorly predicted future needs, based upon simplistic generalizations"* (p. 107). In Stone's view, the dynamic nature of Web 2.0 and the need to demonstrate responsiveness to the trend did not give banks the luxury to wait for the demand for Web 2.0 interactions to be explicitly expressed by customers. Hence, it was argued that banks should take a proactive stance in seeking to relate to the "Customer 2.0" (Stone, 2009). In this sense, the stance of Bank B could be described to adhere to the more traditionalistic view regarding the subject of the worth of social media in bank marketing.

In addition to these themes, interviews with bank's managers also revealed some concerns about the implementation of social media strategies, pertaining to the concerns over safety and security. Such concerns were also observed in the case study of Bank A, as well as in the literature (Pry, 2010; Scarborough, 2010). Considering high security standards imposed on the banking industry in the online domain, social media were regarded by Bank B's managers more "in the light of potential risks rather than in the light of their promotional effectiveness" (Bank B, Manager 1). Hence, these concerns were identified as another concept comprising Bank B's reluctant stance about social media.

Similarly, along the lines of this theme, concerns over the boundaries of control over the content in social media were also identified by Bank B's managers as a point impeding the adoption of social media. To illustrate the problem, one of the managers shared an example, stating that several popular public online forums in FYROM were used by the customers to express their dissatisfaction with the bank and its policies. Management viewed this as a purposeful, malicious attack on the bank's brand and a threat to the bank's image and business credo. Managers argued that the practice of utilizing open public online forums by anonymous online users for spreading malicious content was common in the country. Managers critically observed that online media were seldomly used by consumers to share positive experiences with the banks and for offering constructive criticism or ideas on how banks could improve their services. In management's view, this indicated the lack of readiness of the bank's online audience to use interactive online communication channels such, as social media, for leading a constructive dialogue with banks. This also implied that online audiences were not ready to use social media for truly fruitful and mutually beneficial exchanges with banks, which further hindered the prospect of mediating relationships with banks via social media.

While decidedly rational, such arguments for justifying the reluctant stance towards social media were, however, criticized in the literature. Literature urged banks that the fear of dealing with consumer criticism in social media was understandable, but was not a serious obstacle to engagement in the Web 2.0

platforms (Stone, 2009). Klimis (2010) argued that all banks regardless of their size or status in the industry face equal risk of negative commentary in social media from online audiences. This, however, should not be an impediment for banks and a reason to abstain from social media, but rather an opportunity to learn to establish rapport with consumers in the online setting. According to N'Goala (2010), banks must learn to transform customer complaints into opportunities, rather than to view them as threats and sources of conflict, in order to foster the spirit of cooperation. Literature urged banks to demonstrate the willingness to engage in a constructive dialogue with customers and to develop strategies for handling all forms of consumer commentary in social media, for the purpose of building a rapport with online audiences (N'Goala, 2010; Pry, 2010). Hence, some of the themes constructing Bank B's stance towards social media marketing were rather controversial in the light of the existing knowledge found in literature on social media marketing in banking. Nevertheless, the case of Bank B provided an interesting illustration of how the reality of the role of social media in banking was perceived by one of the banks in the SEE region.

5.4 Case Study 3: Bank C

5.4.1 Bank's profile and RM approach

Bank C is one of the leading retail banks in Romania, with 20 years of presence in the Romanian banking market. Bank C is a foreign subsidiary of one of the largest Greek banking institutions, with a steady presence in the countries of the SEE region. Bank C has over 1 million registered clients in the retail market segment and an extensive network of outlets, with 250 branches throughout the country. Bank provides wide spectrum of services across the segments of retail banking, private banking and corporate and small business banking. Bank's retail offering centers on services such as deposits, loans, savings, credit and debit cards, investments, insurance, transfers, and online banking.

Management of Bank C described bank's marketing philosophy as client-centric and relationship-oriented. Interviews with bank's managers revealed that in 2009, the bank had launched an initiative for the overhaul of its marketing approach. Under this project, the bank aimed to restructure its marketing operations and to revise its marketing strategies in order to become a *"customer-centric organization"*. Based on the insights from bank's managers, the need for marketing overhaul stemmed from the pressures of the recent economic crisis. According to bank's managers, Bank C recognized the need to become *"flexible to changes"* and acknowledged that in order to adapt to the post-crisis environment its priority shifted to *"focus on retaining existing customers, instead of recruiting new customers at any price and risk"* (stated by Bank C's Manager 2). Compared to the current knowledge in the literature regarding the adoption of the RM approach in retail banking, the rationale of Bank C was sound with the concepts observed by RM-contributing authors (Durkin et al, 2007; Proenca et al, 2010).

Interviews with bank's management revealed several themes as pivotal for bank's RM approach in the eyes of the managers. Concepts such as "relationships", "innovation", "networking" and "interaction" with customers were highlighted by the managers as the cornerstones of the bank's marketing strategy in the retail sector. Bank's management identified several goals for the bank's RM approach: (1) to recognize the needs of existing and potential clients, and to use them as the foundations on which new products and services will be developed; (2) to offer value-added services to customers and to build competitive advantages through them; and (3) to fulfill promises given to customers, and to maintain active contact with customers through various communication channels.

Moreover, managers added that the pillars of Bank C's RM approach included *"targeting profitable customers"*, *"using the strongest possible strategies for customer bonding"*, spreading RM philosophy across the organization, and "building trust as a marketing tool" (as stated by Manager 1 and Manager 2 of Bank C). Among these constructs, the focus on the profitable market "niches" was identified as one of the leading goals of the bank's RM approach. These elements aligned with the RM literature on relationships in the retail banking sector (Carson et al, 2004; Durkin et al, 2007; Danciu, 2009; Proenca et al, 2010). Interviews with the managers revealed that the concept of "trust" was the key focal point of the bank's RM approach. Trust was highlighted as an essential component for establishing and maintaining fruitful and prosperous relationships with customers (Gummesson, 2002; Carson et al, 2004; Durkin et al, 2007; Gill, 2008; Liang and Chen, 2009).

According to bank's managers the transition from the old product-centric marketing towards a new customer-centric approach was laborious and demanded significant changes to bank's operations. One of the major efforts in the process of transition included re-structuring bank's sales department from having product-oriented groups to establishing teams that serve distinct customer segments. In order to fortify relationships based on the mutual trust, bank strategically re-defined its clients as "partners". Following the revised RM strategy, Bank C segmented its retail business into three main client groups: "mass market", "affluent" and "pensioners". The main strategy for communicating values of "trust" and "partnership" to customers was by introducing tailor-made offers for both existing and potential new customers. For this purpose, Bank C also introduced a CRM system, which enabled precise customer segmentation and targeting, and helped identify the possibilities for personalization.

While the literature supports strategic market segmentation in the retail banking sector for the purpose of supporting the RM programs, it also argued that banks should demonstrate advanced approaches in their RM strategies. For instance, Danciu (2009) criticized Romanian banks for using too vague and broad parameters for market segmentation. Danciu (2009) noted that transition to the RM approach in banking was a long-term process, and that the evidence of RM efforts presented by majority banks in Romania left much room for further improvements. However, the insights provided by Bank C demonstrated a comprehensive approach to RM and a commitment to the RM strategy.

5.4.2 Bank's online presence and marketing

At the time when the interviews with the managers were conducted, Bank C's online presence was structured across several layers: bank's website, bank's e-banking platform, and presence in popular high-traffic websites through "banner" advertisements and online press releases. Such strategy was identified by Danciu (2009) as common among Romanian retail banks. The overall goal of bank's online marketing was to improve the awareness of the Bank C's brand, so as to spur the demand for the bank's services.

Management explained that Bank C had several online channels through which customers could contact the bank and request information, clarifications or advice regarding the bank's services, offers and policies. These included traditional e-mail correspondence, online helpdesk and variety of online forms available on the bank's website. Bank C made significant investments to develop efficient online channels that "offer customers a fast, safe and cost-effective alternative for banking operations", according the Bank C's Manager 1. Its e-banking initiative was awarded for introducing excellence, performance and innovativeness to the Romanian online banking industry.

According to bank's management, online communications allowed customers to experience greater efficiency in banking, especially in terms of time and money savings that came from the dicreased need to visit the bank's offices for inquiring information. It was argued by managers by channeling the inquiries for information from its branches to its online channels, the bank was allowed to dedicate greater attention to the marketing initiatives regarding brand awareness, customer trust and customer retention.

Nevertheless, Bank C's managers recognized that bank's traditional forms of online communications required further improvements in order to be able to accommodate the ever-evolving needs of modern consumers. Bank C's managers explained that customers often requested "prompt feedback" and "fast" interaction, as well as more "accessible" channels of communications with the bank. These requests were identified by the managers as the areas where Bank C required further development *"in order to be able to satisfy market requirements and also to keep up with the competition"* (as stated by Bank C's Manager 2). Management also revealed that Bank C was actively exploring other possible means for online communications with clients outside the confines of its corporate website.

5.4.3 Bank's stance on the role of social media in RM

At the time when the interviews with bank's management were conducted, Bank C did not have an established social media presence. However, interviews helped reveal important premises regarding bank's stance towards social media and its role in marketing.

In the period before 2012, social media was not a part of the bank's marketing plan. Interviews revealed that managers perceived that at the time Bank C was "not ready to sustain such activity". Hence, its marketing was largely centered on targeting customers through traditional media such as advertising on TV, radio, print and outdoor, events and online advertisement via online banners in high-traffic affiliate websites. However, Bank C's managers acknowledged the growing importance of social media for the banking industry in Romania. According to managers, the need to extend bank's marketing efforts to social media was signaled *"by the local environment, which is moving pretty fast online"*, as well as by the progressive Web 2.0 adoption initiatives among the competition (as stated by Bank C's Manager 1). Insights from the Observation Study supported these observations. Data on the progress of social media adoption among banks in Romania suggested that Romanian banks were some the most advanced in the region, in terms of the breadth and the rate of social media uptake. (Please refer to Chapter 4 for detailed report on the levels of social media adoption among banks in Romania from the Observation Study.)

Managers discussed the efforts of other retail banks in Romania in Web 2.0 channels. Managers identified several interesting practices observed among competitors, regarding the strategies used for deploying social media initiatives. Managers observed that some banks in Romania tended to use social media for internal marketing, within the organization. Additionally, they observed the increasing practice among banks in Romania to outsource the creation of the content for social media and the management of online communities to external PR agencies and to professional bloggers. As noted by the management, the social media community of users in Romania was "already large and is continuously developing", and this new "market" required innovative marketing strategies. Hence, rather than developing the social media skills in-house, many banks resorted to outsourcing their social media activities to experienced professionals. The observations shared by Bank C's managers were also supported to an extent by Onete et al (2010), who noted that Romanian consumers were very active in social media, and that online communities had been recognized for their power to project consumer influence on certain industries. This signalled the organizations to make their marketing more "social" (Onete et al, 2010). Hence, it can be understood that, in order to cater to the high expectations of consumers, banks tended to resort to professional social media services in order to stay on top of the trend.

Nevertheless, Bank C's managers expressed cautiousness about the prospect of entering the field of social media. As stated by bank's Manager 2: *"We are planning to switch from the usual channels to new media and Web 2.0 strategies"*, but *"there is* *a time for doing things properly"*. In the view of bank's managers, social media require significant *"investments of time and money"*, in order to create marketing strategies that have the power to offer differentiation from the competition already active in social media. Managers expressed a strong belief that the coordination with bank's marketing strategies in the traditional communication channels was essential before embarking on the adoption of social media.

According to managers, a hasty approach to the adoption of social media, for the sake of catching on with the trend, carried the risk of poor execution. Managers speculated that the adoption of social media without carefully devised strategy could backfire and result in creating a "negative buzz" for the bank in the online community. Moreover, managers feared of the possibility that bank's presence in social media could fail to resonate with consumers, which could produce negative implications for Bank C's RM efforts. According to Stone (2009), such reaction is common for banks, as *"the industry is still wary of the Internet and the potential disruption in could create"* and *"the industry is likely to approach the new generation of Internet technologies with caution"* (p. 113). Bank's Manager 2 explained that it was *"natural to expect threats for which we are not prepared to react"* and to *"expect worst case scenario"*, due to the novelty of social media and the unpredictable impact it could have on the banking. Pry (2010) also noted that for banks *"there are real risks to jumping too quickly into the social media frenzy"*, and that a *"bank must think carefully about how to present itself through this media"* (p. 24).

Nevertheless, managers reasoned that, considering the tightening competition in the banking industry and the non-declining popularity of social media, the engagement in Web 2.0 was not a question of "whether", but of "when". For Bank C it was a matter of selecting the right moment and the right strategy for social media entry. According to Manager 2, social media adoption was "a risk that the bank should assume instead of remaining in the shadow". Managers expressed belief that marketing via social media could help create "more personal approach" in the interactions with customers, could contribute to a greater brand awareness among online audiences, and could add a "refreshment" to the bank's image. As stated by Bank C's Manager 2: *"It is important to show that we are there for our customers: ready to solve their financial needs by providing proper solutions."* Therefore, Bank C would be open to new forms of communications, including social media, in order to remain close to customers and to assure them of bank's commitment to the customer-centric approach.

In line with this reasoning, managers also shared assumptions about Bank C's possible strategies in social media marketing. These included: (1) creating and sharing content about bank's products; (2) developing "call-to-action tools, forms and applications" to encourage customers to interact with the bank via interactive online channels; (3) introducing interactive contests and surveys to engage customers in the development of products/offers; and (4) focusing on word-of-mouth promotions with collaboration of well-known social media contributors and bloggers. Managers also shared the assumption that Bank C's target group for social media marketing would constitute of the population of Internet-savvy 18-45 year old consumers.

Similar approaches to social media marketing for banks were also noted in the literature. Stone (2009) and Sashi (2012) highlighted the importance of initiating collaboration with the Web 2.0 communities, as a way to create rapport with online audiences of customers and to establish bases for relationships with the online community. Trust, empathy, engagement and recommendation were recognized as the key constructs for initiating relationships with customers via social media (Stone, 2009). Interestingly, Stone (2009) also noted that bloggers could play an important role for the financial services industry, supporting the assumptions expressed by the management of Bank C. Bank's assumptions about the possible target audience of its social media initiatives were also confirmed by Klimis (2010), who observed that social media were often "monopolized" by the customers of this age segment. On the other hand, Stone (2009) argued that banks should also recognize the needs of the "older generation" of customers, who are likely to have greater degree and longer history of involvement with banking products, and are also active in social media.

Insights from the interviews with Bank C's managers revealed predominantly favorable stance towards social media. Findings from the Observation Study subsequently revealed that not long after the interviews with bank's management were con,cluded Bank C launched its first social media initiative. Bank launched its Facebook page, followed by the introduction of its official Twitter account. Bank C's social media adoption strategy followed with bank's expansion into Google Plus, YouTube and the launch of the bank's corporate blog in July 2013. The most successful social media outlet for the bank in terms of the volume of followers proved to be Facebook, where by early 2014 Bank C's page generated close to 80,000 followers. Interestingly, bank's other social media initiatives enjoyed considerably lower popularity in terms of online followers. For instance, bank's Twitter account generated only 42 subscribers in the two years of its existence. In comparison to the performance of social media pages of other banks in Romania, these follower ratings were on the lower end of the spectrum.

Due to the design limitations, the Observation Study did not accommodate more in-depth exploration of the type of content posted by Bank C in social media. It also did not allow for a thorough investigation of the types of interactions occurring within the community of bank's followers in social media. Thus, while this case study provides insights into bank's initial assumptions about the role of social media in marketing, further research is required in order to investigate in depth the extents to which Bank C's social media activities accommodate its RM approach.

5.5 Discussion on case study findings

5.5.1 Cross-comparison of the insights across cases and literature

Case studies presented in this portion of research demonstrated different approaches to RM and social media by several banks operating in the SEE region. Despite differences in their RM strategies, these banks shared some common beliefs about social media and its significance for the retail banking industry.

Insights shared by the management of Bank A suggested that RM approach in banking in Greece was grounded on personal relationships and strongly dependent on the face-to-face contacts between customers and bank employees. This insight is sound with the findings by Johns and Perrott (2008), who discovered that online communications with banks did not eliminate the customers' need for face-to-face interactions. In fact, face-to-face interactions were considered to be a prerequisite for the development of relationships between banks and customers. This was further supported by Albesa (2007, p. 499), who confirmed that *"greater social orientation increases the use of personal channels"*, while *"possible preference for human interaction causes the consumer to avoid using technological channels"*.

In contrast, management of Bank C shared firm assumptions that to execute RM approach, banks in Romania required support from the interactive online channels such as social media, in order to stay close to the population highly active in social media, such as the population of Romanian consumers. These findings were in line with a stream of literature arguing that social media could be considered as the next step in the evolution of RM strategies in retail banking (Stone, 2009; Klimis, 2010; Proenca et al, 2010).

Interestingly, despite different statuses of their social media adoption, all three banks shared several common assumptions about the use of social media in banking. To begin with, banks shared common observation that when engaging in social media, banks would *"lack control over content"*, and would hence require to be cautious about the use of social media. Although literature recognized this issue, it argued that *"this is more a perception than a reality"* (Stone, 2009, p. 109). As argued by Stone (2009), word-of-mouth among customers cannot be controlled even in the non-digital banking reality. The transition from Web 1.0 to Web 2.0 should not be centered only on the issue of who possesses the control over the content shared in the communication (Stone, 2009). Instead, banks were urged to learn how to think "the social media way" and to become accustomed to the Web 2.0 tools in order to manage the relationships with customers in the Web 2.0 setting. As suggested by Stone (2009, p. 109): *"A small cultural transition is all that is required"*.

Furthermore, banks indicated concerns over the lack of safety regulations in social media. All three banks expressed concerns over the information privacy, loss of control over data, and over the possible negative implications on the corporate image from the engagement in the Web 2.0. This view was even shared by the managers of Bank C, despite its broad level of social media adoption, out of all three banks. During the pre-launch of Bank C's social media pages, the managers were wary of the possible negative effects that social media adoption could create for the bank if the consumers failed to resonate with the bank's decision to engage in the Web 2.0 communications. Literature confirmed that the entertaining character of the popular online social networks often clashed with the "serious" nature of banking business, and thus marketing via social media was also regarded as a strategy bearing a certain dose of risk (Jaser, 2010; Pry, 2010; Scarborough, 2010; Vemuri, 2010; Garrett, 2011).

Nevertheless, as suggested from the insights learned from Bank C, this might be a risk worth taking. All three banks agreed that engagement in social media would eventually become necessary for the industry, as more and more banks were experimenting with the Web 2.0 marketing in response to the competition and the battles over the market shares (Klimis, 2010; N'Goala, 2010). Findings from this study imply that social media will be especially attractive for the banks seeking to improve their competitiveness in the market and to establish rapport with clients (i.e. new, small-size banks).

In the retail banking industry, the initiative to embark on the Web 2.0 marketing must be supported by the evidence that customer are interested in interactions with banks via social media. Additionally, there must be an evidence that investments in social media will bring positive returns on investments and would enhance the effectiveness and the efficiency of the banks' RM programs.

Case studies also revealed possible tactics for social media engagement for the banks. These include: (1) creating interactive and relevant content, (2) encouraging clients to interact with bank via online social networks, (3) encouraging customers to actively contribute ideas to enhance bank's offers for mutual benefit; and (4) collaborating with online community to create awareness about social media programs. Similar points were also identified in the literature on social media in bank marketing (Mendelsohn, 2010; Pannunzio, 2008; Stone, 2009; Vemuri, 2010). These suggestions contain important insights for marketing practitioners, as they offer more pragmatic view on the possibilities for incorporating social media into RM strategies. For banks aspiring to embark on the voyage in Web 2.0, these tactics could be used as a starting point in designing the social media-powered strategies for the RM.

5.5.2 Overall regional perspective of the findings of the case studies

Case studies presented in this chapter offer interesting insights and perspectives about the role of social media in retail banking and RM. These insights are based on the marketing approaches of three real-life banking organization. Each case is unique and original, and hence offers valuable insights into different manners in which the role of social media could be regarded in banking. It is important to understand that these cases do not attempt to generalize how the role of social media is perceived in the banking industry in the SEE region at large. Rather, they illustrate the similarities, differences and overlaps in the perspectives on social media among the banks of different profiles, in different countries of the region, facing different realities of the trend of the social media adoption.

In order to understand the extent to which the findings from these case studies are extended to the general social media practices among banks in the SEE region, it is important to understand the contextual setting of the case studies. Looking back at the levels and progress of social media uptake among the banks in the SEE region over the past years, it is safe to point out that Bank A, Bank B and Bank C reflected some of the main trends observed. The levels of social media uptake were not equal among banks across the countries of the SEE region, and the case studies reflected this.

For instance, Bank C's openness to social media aligns with the high level of social media uptake observed among banks in Romania in the period between 2012-2014. Compared to other countries in the region, banks in Romania had some of the highest and most rapid levels of adoption. By 2014, 83% of banks in Romania had some form of social media presence, and 30% of banks had presence that spanned across multiple Web 2.0 channels (please refer to the Chapter 4: Observation Study for more detailed insights into the levels of social media adoption across SEE countries). The case of Bank C illustrates how the adoption of social media became a question of competitiveness for the Romanian retail banking industry, as well a matter of staying relevant to the social media-savvy consumers. Therefore, the case of Bank C could be considered illustrative to an extent of the motives, expectations and drivers of the social media adoption by banks, in the context where Web 2.0 marketing was a new norm for the banking industry.

Similarly, the case of Bank B could also reflect common concerns, assumptions and perspectives towards social media, in the context where the adoption is less rapid and less progressive. For instance, in 2014, banks in FYROM displayed the second highest rate of non-adoption of social media in the region at 33%. Based on the insights from the Observation Study, virtually no bank in FYROM had social media presence that spanned across three or more Web 2.0 channels. Thus, it appears that Bank B's reserved stance towards social media could be reflective of the tendencies dominating the banking market of this country. Bank B's cautiousness about social media could stem from the more modest levels of social media adoption, characteristic for the banks in FYROM.

This suggestion could be supported further by observing the case of Bank A and the context of social media adoption among banks in Greece. Although initially resisting social media adoption, Bank A eventually established a presence in social media. The choice of the channels chosen by Bank A closely aligning with the general trends observed for banks in Greece. Nevertheless, Bank A displayed an original, yet quite watchful strategy of social media adoption. Possibly, its cautiousness could be partially attributed to the observations that the trend of social media presence among banks in Greece somewhat “shrank” over time. Based on the insights from the Observation Study, banks in Greece went from 45% of adoption in 2012, to 56% in 2013, and then back to 45% in 2014, due to the restructuring of the market and shifting marketing priorities. In the light of this trend, Bank A’s cautious experimentation with social media appears justified. It could possibly serve as an illustration of how the role of social media in bank marketing is accommodated in the context characterized by high market uncertainty, volatility and shifting marketing priorities.

Based on these insights, it could be suggested that the role of social media in RM is a subject of not only the individual marketing strategy of each bank, but also a subject to the trends in the market and its contextual setting. In the market with high competition among banks and a race to attract and retain clients using innovative online marketing channels and techniques, the importance of RM appears to be more pronounced, and there appears to be a greater openness about the inclusion of social media in marketing. This was evident from the case of Bank C and from the observations about the state of social media adoption in Romania. Conversely, in the markets with relatively low competition and with low interest in marketing investments in the retail banking sector, the role of social media appears to be less important for customer retention and acquisition. This was illustrated in the case of Bank B and in the comparatively low and lagging social media adoption in banking in FYROM. Finally, in the markets with high volatility and uncertainty, the RM efforts appear to be very important for banks for customer retention and for preserving market shares, but the role of social media is unclear. Social media adoption is initiated in the attempts to stay relevant to consumers and to their increasing online consumption, but its relevance to the relationship-building is undecided. There is a possibility that in such markets RM strategies in banking rely on more traditional forms of communication. This was illustrated in the case of Bank A and the observations about the levels of social media adoption among the banks in Greece.

Thus, despite having only three banks in the case study portion of the research, these case studies are relevant and valuable to the theory-building as they are reflective of the progress of social media uptake across different countries in the region.

Chapter 6: Focus Groups

6.1 Overview of this chapter

The following chapter presents findings from the study investigating the perspective of bank customers about the role of social media in relationships with banks. The purpose of this chapter is to explore the mindset of consumers on the topic of utilizing social media in communications with financial service providers and to explore the possibilities for digitally-mediated relationships with banks in the Web 2.0 setting.

This chapter is structured in the manner that follows the flow of research questions pertaining to this study and depicts the themes and patterns that shape the answers to these questions. The chapter is structured along the following main sections:

- customer mindset on the prospects of using social media in interactions with banks;
- how consumers use social media to interact with other types of companies;
- what constitutes the concept of relationships with organizations in social media;
- customers' mindset of what constitutes relationships with bank;
- what are the areas in which banks can enhance their social media approaches to cater to needs and preferences of young customer population.

These sections are the main thematic areas which together compose the knowledge on the consumers' perspectives about the scope of utilizing social media in relationships with banks. Each section contains sets of themes and constructs that provide a detailed account of the concepts that shape the reality as seen and experienced by young bank customers. Emergent themes are illustrated in order to help guide through the answers about each of the facets of the customer perspective explored.

6.2 Customer mindset regarding the use of social media in communications with banks

This section attempts to provide answers to the question on what is the mindset of customers about the use of social media in interactions with their banks. This section to uncovers the themes that shape customers' perceptions about the idea of interacting with banks in social media.

The findings in this section are organized under four categories:

1) the experiences of customers who already follow banks in social media,
2) the rationale of customers who do not follow banks in social media,
3) what constitutes the perceived value of having banks present in social media, and
4) how customers' perceptions on this subject differ for banks at home versus banks abroad.

The first two categories allowed for comparison in experiences and viewpoints of two contrasting groups of customers, the followers and the non-followers. This allowed to observe the similarities and differences in the constructs of their attitudes towards banks in social media. This also allowed tracking patterns which revealed how offline experiences with banking services projected into the attitudes about interactions with banks in the digital setting. The section on what constitutes the value of banks' social media presence was observed from the viewpoints of both customers who follow and customers who do not follow their banks in social media, in order to arrive to a common understanding of the perceived role of social media in banking. Finally, the last sub-section provided a complementary commentary on how social media activities are perceived to differ between customers' own banks and banks in other countries. This provided an additional dimension to the discussion about the customers' mindset regarding banks and social media. Figure 15 depicts the organization of these sub-categories and illustrates the key themes that appear in each area.

6.2.1 Experiences of customer following banks in social media

Young bank customers who had experienced the process of following financial institutions in social media reveal important insights into the expectations and motivations for interactions with banks via social media. Firstly, it is important to establish that only a small portion of participants (6 out of 30) followed banks in social media. Although sparse, the stories of these customers contain interesting premises about the the role of social media in their banking activities.

Among participants who followed banks in social media there were two distinct (occasionally overlapping) types of followers: those who followed their financial service providers on social media (e.g. Raiffeisen Bank in Kosovo, Eurobank in Romania, Societe Generale in Serbia) and those who followed Web 2.0 pages of non-related banking institutions (e.g. Central Bank of Norway). Each type of followers demonstrated different motives for following banks in social media, as well as different modes of initiating this process.

For customers who followed their own banking service providers "learning about promotions and offers" was the main motive for adding their banks to the portfolio of companies followed in social media. The main benefit for this group of customers was that social media pages allowed for a quick and easy way to learn about banking products, services and latest campaigns. Following banks in social media opened new outlets for receiving information about the latest banking offers and news, making banking products more visible to consumers. More importantly, it provided the convenience of having the information virtually delivered to customers in their social media feeds, diminishing the need to go to the office branches for this purpose. As illustrated in one example:

"I will share my own experience about… it was for a bank in Kosovo, and they were offering like special card for buying with rates. And I couldn't go to apply because I was busy from 8 in the morning 'till 10 in the evening. And I saw it on Facebook, it was an ad "Apply online", and I clicked and they called me on the telephone and they made my card."

(P7: female, 21, Kosovo)

This example illustrated how following the bank in social media not only helped create customer's awareness about the remote service, but also streamlined the delivery of the desired service, benefiting the customer in terms of time savings and convenience. Moreover, in the case of this customer, the satisfaction with the benefits received through social media further prompted to encourage others in her network to take advantage of the convenience as well.

"After they called me on telephone, I talked to my friends because we were busy during the day, and they also did it on Facebook and everybody was doing the same, so I think it was a good thing to do."

(P7: female, 21, Kosovo)

Thus, the benefit was extended to others in the customer's network, which is an important implication of having a bank in the portfolio of companies followed in social media.

Interestingly, one common theme observed in the recounts of customers who followed their financial service providers in social media was that such acts were prompted by banks' initiatives to introduce their clients to their social media pages. Namely, these customers remembered receiving virtual invitations directly from the bank (e.g. Facebook "invite" to "like" a page) or seeing promotional messages about bank's social media pages in bank's brochures and offline promotional material (i.e. in monthly bank statements delivered by post). Thus, their actions were prompted by banks' "push" strategies to promote social media pages.

On the other hand, participants who followed banking institutions other than their own financial service providers attested to different motives and modes initiating the process of "following". They displayed common tendency to perform purposive search in the Web for social media pages of large foreign banking institutions in order to research global financial trends and banking news. For this type of followers, the motives to "like" or "follow" on banks' social media pages were spurred by the quest for information. The high-quality content found in these social media pages (e.g. financial reports and predictions, analysis of global financial trends etc) was highlighted as the main trigger for initiating the following. Thus, in the case of this group of followers, the appeal of the content in social media pages was the main benefit as well as the "pull" that led to the establishment of Web 2.0 links between consumers and banks.

It is interesting to note that in addition to the benefit of receiving information, some of the customers in this group found complementary appeal in following banks in social media. This appeal was related to the belief that following large banking institutions in social media benefited their own personal image in the digital setting. As attested by one participant:

"Twitter now…actually that's the only place where I'm following, you know, like some of the companies mainly in financial sector. You know, when you open my Twitter account- like I'm working in financial sector! I'm following Forbes, Financial Times, also some of the banks,"

adding further:

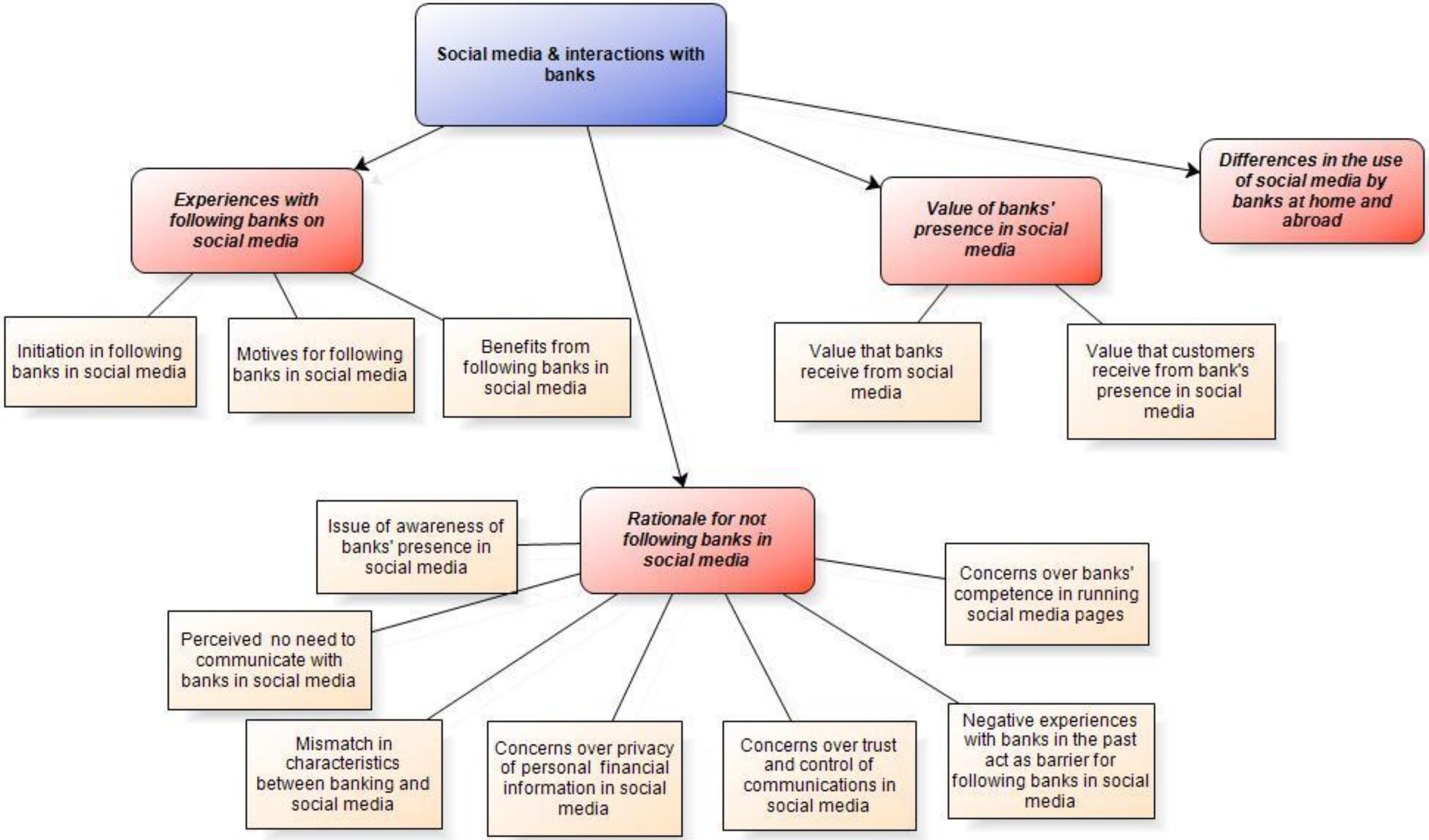
"I like to look nice. If someone comes to check my profile…" (P 30: male, 23, Serbia)

Although this is rather an anecdotal account of the benefits received from following banks in social media, it bears interesting point for further discussion on the potential of transferability of page's attributes to its followers. Although this topic is interesting, it falls outside the subject of this thesis. However, this finding is an important illustration of some of the benefits young consumers perceive to obtain from following banks in social media. Table 28 provides a summary of the main findings discovered from the stories of consumers who followed banks in social media.

Table 28: Summary of findings illustrating experiences of customers who follow banks in social media.

Type of follower	*Mode of initiation*	*Motives and benefits*
Customer of the bank followed	Invited by bank	Learn about bank's offers and promotions
Non-customer of the bank followed	Searched for the bank in social media	Obtain information on financial news and trends Having bank in the social media feed improved the personal image of the follower

Figure 15: Themes explored about the role of social media in interactions with banks.



6.2.2 Customer rationale for not following banks in social media

Although several participants reported examples of following banks in social media and the benefits and motives entailed in such endeavors, majority of young bank customers in this study did not engage in any form of interaction with banks in social media. The reasons for not following banks' Web 2.0 pages were multifaceted and stretched across a broad range of concerns and issues. This section explores in detail the themes pertaining to the decisions not to follow banks in social media.

6.2.2.1 Issue of awareness about banks' presence in social media

One of the chief reasons why some bank customers did not have rapport with banks in social media was the lack of awareness of banks' presence in social media. Although seemingly simplistic, this instance bears interesting observations that could further illuminate important premises about banking activities in social media.

An important theme was the perception that banks did not promote sufficiently or adequately their activities in social media to the relevant audience, resulting in the lack of awareness on behalf of customers. Participants attributed their unawareness about banks' presence in social media to the tendencies such as: *"banks have not been exposed to me on Facebook"* (P7), whereby banks were perceived accountable for the lack of customer awareness. Consumers expressed beliefs that banks should raise awareness about their Web 2.0 activities, rather than to expect consumers to search for them in social media. An example of this rationale was expressed by one of the participants as follows:

"Somebody would have to introduce me to what's happening and to explain why it would be good for me."

(P8, female, 24, Kosovo)

In the previous sections it was discussed that customers who followed their banks in social media were attracted through "push" strategies, whereby banks were forward about the invitation to join them on social media. It appears that such strategy would be beneficial for tackling the unawareness about banks' Web 2.0 activities common among young consumers.

Furthermore, the lack of awareness about banks' activities in social media was also in great part attributed to the notion that the concept of social media did not immediately evoke associations with banks in the mindset of young consumers. The next sub-section discusses the issue of mismatch between the notions of Web 2.0 and banking and its role in not following banks in social media in greater detail.

6.2.2.2 Mismatch in the characteristics of social media and banking

For many young customers who did not follow banks in social media the rationale rested on the premise of mismatch between the characteristics attributed to social media sites and the notions attributed to the concept of banking.

In the minds of young consumers Facebook, YouTube, Twitter and other Web 2.0 platforms were primarily associated with entertainment, social activities, and leisure. On the contrary, banks were perceived as "an obligation" and banking activities as "serious" or "boring" and associated with a different aspect of consumers' lives. Consumers experienced difficulty trying to envision how interaction with banks in social media would fit into the type of activities they were accustomed in interactive Web 2.0 channels. The following example illustrates such clash of concepts:

1) *(P11) What would be the use, though, if my bank had access on my Facebook? I'm not doing anything, you know, related to e-banking, I'm not posting anything for example…*
2) *(P10) Maybe they can send you more easy the emails, or maybe they can get to you easier just to talk to you easier or something.*
3) *(P11) They can "like" my pictures. [laughs]*
4) *(P10) Oh yeah, and maybe put comments on them and then…*

(dialogue in focus group 3; P10 and P11 both: female, 21, Romania)

Therefore, the contrast in the perceptions attributed to banks and Web 2.0 was one of the reasons why young consumers did not see banking and social media as related concepts. Lack of expectation of encountering banks in social media, paired with unawareness of banks' Web 2.0 activities resulted in erroneous perceptions that banks were not active in social media. As a result, these consumers were oblivious to banks' presence in social media.

However, the beliefs about mismatch between the concepts of banking and social media revealed two distinct patterns of thoughts. On the one hand, upon further elaborations, some consumers speculated that if banks were present in social media there could be a benefit for their clients. They elaborated that having banks in the social media feed at the very least would not be different than following any other type of page, and at the very best might increase the awareness about banking products and services. Importantly, consumers further speculated that the very contrast between the idea of banks and the character of social media could possibly help banks *"seem less strict and formal"* and adjust their image to fit better with the interests of young population.

On the other hand, the perceived mismatch between the character of social media and the notion of banking evoked in some participants negative attitudes towards the prospect of having their financial service provider present in their social media feeds. For these consumers presence of banks in social media was seen as a big diversion from the core values banks represent, hence rendering speculations that banks' activities would be perceived as "not professional", and would be actually harmful for the organizations and their clients. For consumers adhering to this trail of thought, having banks in social media was perceived as undesirable and even somewhat of a taboo. Thus, these customers did not perceive that the mismatch between banks and social media could be transformed into a positive notion, but would rather be perceived as an anomaly.

Table 29 provides a summary of the themes constructing the subject of mismatching characters between banking and social media.

Table 29: Summary of themes comprising the "mismatch in characteristics between banks and social media".

Theme	*Sample quote*
Social media – entertainment, personal life; Banking – obligation	*"I find something completely opposite that the attractive social networks and the banks. The banks, I don't know, to my personal opinion is something of an obligation, not something attractive I find it."* (P5: male, 22, Kosovo) *"Maybe it's not so much, but I think that Facebook it's mostly for entertainment and I don't see a reason bank to be my friend for that."* (P2: female, 22, Serbia) *"I would find it really... it would have a bad impression. I have a negative impression of the bank if they try to contact me through Facebook, for example. This is my personal life, come on. Leave me alone. If I need something from you, I know where you are."* (P22: female, 28, Greece)
Banks are professional entities,	*"I'm saying that we don't want to accept bank to be our friend, we are not interested in that though Facebook or*

and as such should not be trivialized to becoming a "friend" in social media	*MySpace, but… We want just strict, professional relationship with them."* (P3: female, 22, Serbia) *"Well, I don't consider it professional from a bank to talk about customer problems through Facebook. The more official way they should, for instance, through email or by phone."* (P23: male, 21, Albania)
Social media – fun, attractive; Banks – serious, strict	Positive outlook on the mismatch: *"So when you see that they are having already something on Facebook, YouTube, whatever…you're seeing that institutions that used to be very strict, even rigid at some point of time, are becoming more and more friendly and willing to provide some additional information and you can access to that information at any time. For me personally it's interesting."* (P6: male, 23, Serbia) *"I would have my bank as friend on Facebook. I would. I wouldn't mind. I have my teachers on Facebook also. It's kind of the same thing. So it's ok."* (P10: female, 21 Romania) Negative outlook on the mismatch: *"This kind of approach is kind of impersonal and for something as serious as banks, and loans, and credit cards, as you said, it has to be more personal and make you feel secure, not the Facebook page. Facebook is for entertainment, it's for fun. Ok, you may follow some products, but for me it has to be something more serious than Facebook."* (P26: female, 26, Greece)
Social media is not the place where one would expect to see banks and learn about their services	*"But trust me, if you want to take a loan and see what the interest rate is the last place you're going to check is for sure Facebook!"* (P30: male, 23, Serbia)

6.2.2.3 No perceived need to communicate with banks in social media

Apart from the issues of unawareness and mismatch in the concepts of banking and social media, customers also emphasized that one of the key reasons for not following banks in social networks was simply the lack of perceived need for such form of rapport with financial service providers.

This was manifested in several ways. Firstly, consumers explained that their current scope of using banking services was rather limited and very straightforward: depositing or withdrawing money, using credit and debit cards, using e-banking for online purchases. Within the confinements of these activities consumers perceived existing means of interactions with banks, such as talking in person with tellers at the branch offices or via the phone, to be sufficient. Therefore, the prospect of following banks in social media, in addition to the accustomed means of interactions with banks, was perceived excessive and unnecessary. Thus, consumers speculated that they would see no extra value from following their financial service provider in social media.

Furthermore, consumers attested that even if social media were used by banks as the means for delivering marketing messages, such as new promotions and offers, it would still likely produce little effect. Consumers admitted the habit to purposely ignore banks' marketing messages delivered through print and TV ads or even directly to their mobile phones via SMS services, due to self-admitted lack of interest in banking products. Consumers expressed belief that such neglect would be extended to banks' pages in social media as well. Banking products (e.g. loans, mortgages, credits etc) in the eyes of consumers would always remain the same, regardless of the channels used to market them. Hence, marketing these products in social media was perceived to have little potential to create the interest in the consumption of banking services. Therefore, consumers defended the position that banks *"do not need to be in social media"*.

Finally, part of the interviewed young consumers stressed another aspect to this notion. They argued that following banks in social media could create unnecessary stress about financial matters and a sense of urgency about the consumption of banking products. This was perceived as redundant in social media, where entertainment and socialization were primary interests and activities. Thus, following this pattern of thoughts, banks were perceived as undesirable in social media. Table 30 summarizes these themes and outlooks on the topic.

Table 30: Summary of themes constructing the lack of need to communicate with banks in social media.

Theme	*Sample quote*
Scope of usage of bank services so small that it doesn't need extra interaction through social media	*"I have e-banking extra and I know that they told me they have 24 hour customer service online with a chat, so when I go into my e-banking when I log in if I have an issue I can directly ask a worker. they have 24 hours so basically I don't have to go to any kind of social media customer pages."* (P29: male, 24, Kosovo) *"I just use my credit card just for my father to put money, I just withdraw them, I spend them, and I just ask for more. That's the only interaction between me and the bank."* (P10: female, 21, Romania)
Current means of communicating with banks are sufficient, social media would be redundant	*"I don't find it necessary to communicate in that way. I only use personal contact. Either they send me messages and whatever I want I can find the nearest branch and have communication face-to-face."* (P2: female,22, Serbia)
	"I don't think that I will chat with my bank manager or

Typically ignore bank's promotions via SMS or traditional means, so promotions in social media would be overlooked as well	*something like that. So I don't have a need for that. And regarding commercials, I don't even read the messages they are sending me on my mobile phone. Like, I just see that it's from bank and I don't read it. So I think that even on Facebook I wouldn't read the messages that they would send me. Even if, like I said, it would make things easier for me."* (P3: female, 22, Serbia)
Banks don't have anything new to offer in social media	*"Why should we [follow banks in social media]?I mean, what is informative about banks? They can say: "We're offering loans at this percent, this rate." What a surprise! [laugh]They are always offering loans. So what? They don't have to even advertise it!"* (P20: male, 35, Greece)
Having banks in social media feed would create unnecessary sense of urgency and stress	*"Well, the only way that could affect me is personally, because these channels of communication are like that. I would think about my bank all the time because I will see her, I would notice the news even if I don't want to do that."* (P3: female, 22, Serbia)

6.2.2.4 Concerns over privacy of personal financial information in social media

Young bank customer adhering to the argument against banks' presence in social media stressed the concerns over privacy of information and safety of utilizing Web 2.0 platforms in interactions with banks.

One of the key concerns was the fear that the blurred boundaries between public and private information on social media could backfire and expose customers' banking data. This fear stemmed primarily from how non-followers imagined the exchanges between them and their banks would take place in social media. They speculated that banks might post offers for banking products on their Facebook or Twitter feeds, making the information visible to their peers and thus possibly creating an unwanted associations between them and the types of products promoted (e.g. post about a bank loan could give clues that the targeted person might be in a financial hardship).

Furthermore, consumers emphasized concerns over the safety of exchanges in social media and security of personal banking information. They argued that if social media were used to inquire banks about the personal financial matters, the security could be easily compromised. They speculated that the safety policy of banks' pages in social media would likely not differ from the the pages of other types companies. Therefore pages could to be sensitive to external manipulation and access breach by third-parties. However, in the case of banks' pages, the risk of compromised security would be detrimental, due to the nature and sensitivity of personal financial information. Table 31 contains direct customer quotes which describe these concerns.

Table 31: Summary of themes related to the concerns over privacy of personal financial information in social media.

Themes	*Sample quotes*
Fear the banking promotions in SM could be associated with customer's personal financial well-being	*"But, for example, imagine if your bank sends you a message on your wall, saying: "We have new offers. You can restructure loan," or: "You can restructure your payments", and then, let's say, if you have 1,000 friends, 1,000 friends know that you can restructure your loan. [laughs] I mean, it's too wide and too popular these networks to send such sensitive information and offers."* (P4: male, 22, Greece)
Awareness that SM security can be compromised by hacking and phishing	*"Actually, we are talking about Facebook and all these things. You don't have your basic secure protocol. That doesn't mean that the bank is not official, but your page, yourself, your Facebook account can be hacked by someone else by phishing and they can get that information. So the bank has to have secure protocol website, the secure protocol chat session they can contact with a customer."* (P23: male, 23, Albania)

6.2.2.5 Concerns over trust and control of communications in social media

Along the concerns over the security of private information, young bank customers also emphasized the issues of trust in social media information and control over social media content, as the reasons against Web 2.0-mediated interactions with banks. The concepts of control over social media content and trust in social media were tightly related in the eyes of consumers.

The chief concern related to the concept of trust was the debate over what type of content can be trusted in Web 2.0 channels when it comes to formal communications with banks ,and how the trust in content extends to the trust in a company or a brand. The debate was spurred by a discussion on the interactive side of social media pages, especially the comment sections, where followers can leave their own comments, reviews, experiences, questions and critiques related to organization's services.

Consumers pointed out that one of the main problems with social media was the issue of control over content. It was argued that banks cannot control the content posted by their followers on social media with the same effectiveness as the content posted by banks on their own websites. One the one hand, if banks were to allow negative comments to be posted by followers on their social media pages, this content would be visible to the audiences of social media, and would have the power to negatively affect the public image of the bank. The negative content in online media was identified to have the power to affect the trust of consumers in their financial service providers. The following example illustrates this issue:

"I think it's like a two-way street. If the purpose of the bank is to like do market research or get information about their products, then it's good, because even if you get negative feedback you know what you're doing wrong and you can fix it, so that's helpful. But I'm wondering if 10 million people follow some bank, I don't know, I just made that number…and you have negative comments. And if I go to that page and I'm reading negative comments, and my initial thinking was: "Yeah, I'm going to use the products of this bank", but I read all these comments, they might persuade me for choosing some other bank."

(P24: male, 22, Kosovo)

However, if banks were to take control over content with negative connotations that would be perceived by publics as an attempt to censor the media. Consumers argued that this would contribute to banks being perceived as deceitful, and would damage the trust in the banks, as well as the trust in the online media. Hence, consumers acknowledged the difficulty of identifying the balance between the control over content and the trust in the content in social media.

On the other hand, some consumers also postulated a counter-argument that having a portfolio of both positive and negative comments on banks' social media pages would be a clue to the followers that banks were open to dialogue with their audiences and accepted consumer feedback in all forms. Such form of digital transparency was argued to have the potential to ameliorate the sentiment of trust towards the bank to a certain extent.

Consumers deliberated that these dichotomous views over content control in social media make it difficult to decide whether to trust banks in the Web 2.0 setting. The common inclination was to regard banks' social media initiatives with skepticism and to place greater trust in more traditional means of communications with banks (e.g.

face-to-face or phone). This was the rationale for not following banks in the popular Web 2.0 sites. Furthermore, consumers concluded that trust as a concept in banking comes from the confidence in the financial service providers, rather than from the confidence in communications channels. In other words, trust in banks would not automatically extend to the trust in banks' activities in social media. Therefore, if consumers experienced mistrust in banks, banks' presence in social media would not alleviate the core problem. Direct examples of these arguments are provided in Table 32.

Table 32: Summary of themes related to the concepts of trust and control of content in social media.

Themes	*Sample quotes*
Social media cannot be trusted in communications with banks	*"I don't really trust, ok, the people that write there. Obviously, anybody can write anything they want, so I'm not the type of person who can, you know, chose between which information is right and which is wrong. That is why if I truly have a problem with the bank I would rather, you know, call the bank or go to the bank. I still like to keep this, you know, this person-to-person interaction if it's for my own interest."* (P11: female, 21, Romania) *"I mean it's not enough if somebody posts something positive or something negative. Maybe he's stupid and he didn't understand the conditions and that's why he's dissatisfied and the product is fine. Because it's so complicated that I don't think you can have a full picture."* (P22: female, 28, Greece)
Banks would not be trusted to not censor and control social media for negative comments	*"Because if they are censored and customers are not idiots, they know when… for example, if I go on the bank and I post my comment and I see it's deleted, then I would go to ten other blogs and say: "You know, Eurobank did this, or Citibank, or whatever did this, this, this and this and then they deleted my comment." Because there are other blogs apart from the company's one that customers can communicate with other customers. The damage would be tremendous."* (P22: female, 28, Greece)
Presence of negative comments can enforce the perception that bank has nothing to hide, so its pages can be trusted	*"Obviously there are some bad comments, not related to what I want to, you know, engage with the bank, but it makes me, you know, maybe trust a little bit more what they're saying there."* (P11: female, 21, Romania)
Trust has foundations in the company, not the communication channel	*"I wanted to say that trust has to do with companies, not with those communication channels. And trust is created by a longer experience with the companies, so trust is just not built in Facebook or Twitter or… You cannot build trust in that way with those companies. You should have longer experience with them so to build trust."* (P8: female, 24, Kosovo)

6.2.2.6 Negative past experiences with banking as barriers to following banks in social media

One of the strongest themes behind the rationale for not following banks in social media was negative past experiences with banks that had with adverse outcomes for customers. When examining the arguments against banks' presence in social media, a pattern was observed between clients who had negative experiences with their financial service providers and those with strong attitudes against following banks in social media.

For consumers who had negatively charged relations with banks (e.g. to the level of even pressing legal actions against banks for fraud or terminating business with banks), communicating with banks via social media was perceived as an alien and undesirable concept. Firstly, due to negative experiences in the past, these consumers tended to lack of the awareness of bank's presence in social media, because they consciously avoided exposure to banks. Secondly, they firmly opposed the idea of following banks in social media as the past of the decision to minimize interactions with banks. Thirdly, they expressed sentiments of distrust, concern and skepticism towards the idea of having bank in their social media feed, due to the past negative experiences with miscommunication and misunderstandings with banks. Some examples of how these remarks were voiced by consumers are found in Table 33.

Table 33: Summary of themes pertaining to negative experiences with banks and decisions not to follow banks in social media.

Themes	*Sample quotes*
Past negative experiences with banks resulted in ignorance and apathy towards bank presence in social media	*"I don't think they're represented enough in the social media. I don't think they're promoted enough. I mean, based on what you said right now, if I was given a commercial in my Facebook that: "Now you have the chance to watch – if you want a loan you can watch, I mean, what loans we offer… and stuff like that; and you may comment on other people to see whether…" Because of the negative attitude I have against the bank, I am not going to search for it!"* (P21: female, 32, Greece)
Negative opinions about banks produce skepticism towards banks presence in social media	*"I think many people have a negative opinions about banks, and when they see a bank on the screen: "What they want right now?" They feel very suspicious."* (P25: male, 22, Greece)

Furthermore, negative stance towards banks' presence in social media was also linked to the adverse attitudes some consumers expressed about the banking business in general. The unfavorable opinions about the banking industry lead customers to believe that banks would not be desirable in social media. In the most extreme cases, customers even proposed banning all forms of bank service promotions, particularly online. The following commentary captures this extreme view:

"I think it should be following the strict policies, like the smoke companies. Like banks – they get people into troubles, I don't that they should advertise their products."

(P25: male, 22, Greece)

Although quite radical, such sentiments were captured in several focus group sessions. The theme depicting how negativity towards banks extends to the negativity towards banks' presence in social media was persistent in sessions. Therefore, past negative experiences in banking and negative attitudes towards banks posed as some of the strongest arguments against following banks in social media.

6.2.2.7 Concerns over competency of banks to run social media pages

Finally, consumers who did not follow banks in social media also based their rationale on the perceptions that banks would not have the skills and competencies to run social media pages adequately. This stream of thoughts rested on several premises.

As discussed in earlier sections, consumers identified mismatches in the characteristics of banks and social media. While banks were perceived as rigid and bureaucratic, social media were described as fast-paced, dynamic, interactive and highly flexible platforms of communication. Due to these differences, customers expressed beliefs that banks would not possess the competency to manage social media. Customers confessed to experiencing lack of flexibility and responsiveness in interactions with banks in the traditional offline setting, and therefore their expectations for communications with banks in Web 2.0 were not very high. Consumers expressed beliefs that they would face lack of responsiveness from banks in social media, and hence expressed skepticism in banks' abilities to support interactions in Web 2.0 platforms.

Customers expressed beliefs that since the nature and the core of banking business were "boring", content posted by banks in social media would also be of the same character. Faced with unappealing promotional content in traditional media, consumers speculated that banks would not have sufficient sense for innovativeness and creativity in social media. These assumptions acted as obstructions for following banks in popular Web 2.0 platforms.

Moreover, this concern was also attested by customers who had once followed banks in social media, but have later chosen to disconnect from those pages. One of the key reasons for this was that the content posted by banks did not correspond to the interests of the followers. Participants criticized banks for publishing advertisements about financial services, such as mortgages and long-term loans. In the eyes of young bank customers, this type of content failed to engage with them, as they belonged to the population of clients who had not experienced yet the need for such level of banking. Hence, the content was deemed irrelevant and over time even produced annoyance for young customers, resulting in un-following banks in social media. This is an important implication for banks and an insight that could lead to future recommendations.

Additionally, consumers also criticized banks for the practice of simply reusing their promotional material such as TV commercials and ads in social media. Consumers argued that this provided little value to them, and demonstrated that banks lack the competency to create new content specifically for Web 2.0 channels.

Finally, participants questioned the competencies of banks to manage the fast-paced and dynamic exchanges with followers in the interactive social media setting. Banks were deemed to lack the necessary flexibility and zeal required for skillful management of followers' comments, posts, messages and inquiries. More importantly, the passive approach to consumer concerns in the offline setting was expected to transfer to the online as well. Consumers expressed beliefs that banks would not make the use of consumer feedback posted in social media pages to initiate changes. Therefore, consumers believed that banks would not have the aptitude for the interactive side of social media, and were not interested to follow banks in the Web 2.0 sites. Table 34 illustrates the aspects constructing consumer beliefs about the competencies of banks to manage social media pages.

Table 34: Summary of themes related to concerns over banks' competencies to run social media pages.

Theme	*Sample quote*
Expectations for banks' online interactions were not high because the offline interactions were often disappointing	*"Offline culture is too difficult to communicate, I'm not sure if online would be so much easier. Because if they didn't communicate in person in the bank and I have to go 10 times, I don't see how they can fix these things online. They have to change an attitude."* (P29: female, 23, Greece)
Belief that banks cannot make interesting content for social	*"I mean, what are they going to say? They cannot make interesting content, they cannot make serious."*

media	(P30: male, 23, Serbia)
Belief that content in social media posted by banks was not adjusted to young population	*"I "liked" bank in Kosovo, a bank that I got my money in, and I "disliked" it because it was annoying. I started reading promotions for taking a loan and: "Take 10.000 euro loan to build your house," and…I'm not up for that."* (P28: male, 24, Kosovo)
Banks are criticized for reusing advertising content in social media	*"They're boring, they're just boring! You're seeing the same things you can see on TV, on YouTube… you can see on Facebook or Twitter, they're just…"* (P30: male, 23, Serbia) *"The only entertaining thing that they would post is their TV advertisements on YouTube and share it on their Facebook page."* (P27: female, 23, Kosovo)
Belief that banks cannot keep up with the pace of social media comments and would lose interest quickly	*"Because there are too many products… too many products, they have to comment a lot, so at any given time they will be tired and they are going to leave it."* (P20: male, 34, Greece) *"If you have like 1,000 comments, first of all, there is a big possibility they don't even see these comments, you know? And even if they see it – what they're going to do about it? Nothing."* (P30: male, 23, Serbia)

6.2.3 Perceived differences in the use of social media by banks at home and abroad

In previous sections of this chapter the construct of social media in banking was discussed from the viewpoint of consumers who follow banks in social media and those who argue against this notion. However, the discussion would not be complete without tapping into the questions of whether and how the perceptions about banks in social media differ for the local banks and financial institutions in other countries and regions.

This was an important input, as discussions with young consumers revealed how perspectives changed depending on what type of banks were in question. The essential findings suggested that consumers perceived banking groups operating in western European countries to be more advanced in utilizing social media than banks at home.

Before discussing these premises in greater detail, it is important to say that both consumers following banks in social media and those who do not, agreed to the perception that banks abroad were better performers in social media. Although without hard evidence for supporting such claims, consumers strongly believed that banking was always more advanced and progressive abroad, while banking in the SEE region was rather latent in the adoption of new trends. An example of this perception was captured in the following quote from one of the focus group discussions:

"And even though I don't doubt much about safety of the system, because for example in Romania we have most of the international banks, like Raiffeisen bank, other German banks, whatever… But the safety of the system is the same like it is in Germany, in Austria, in United States or whatever developed country. So the safety of the system is not that much an issue, let's say. But it is more the conservatism and, you know, the idea that here it's not very good implemented."

(P1: female, 23, Romania)

This distinction is important, because it could partially explain why some consumers opposed the idea of following their banks in social media. Due to the perceptions of latency of the banking sector in the region, consumers did not see the appeal of following their banks in the Web 2.0 sites. However, more refined investigation would be required to confirm the extent to which their beliefs are sustained with evidence.

Banks in home countries were criticized for neglecting to authenticate their social media pages. This was an important oversight in the eyes of consumers. In contrast, consumers argued that banks abroad would not allow such oversights to escape their attention. This was further linked to the belief that banks abroad exhibited more mature approach towards social media and more advanced knowledge of using Web 2.0 tools and platforms.

Domestic banks were also criticized for using social media primarily to promote banking services ,and not exploiting enough the opportunity to use Web 2.0 to publicize other more customer-centric aspects of banking, such as events, sponsorships, social initiatives etc. In comparison, consumers pointed out that social media pages of banks in other countries were much more liberal in terms of content, which made them more interesting in the eyes of consumers. Table 35 illustrates some of the examples on these accounts provided by participants.

Table 35: Summary of themes related to differences in approaches to social media between banks at home and banks abroad.

Theme	*Sample quote*
Local banks miss the opportunity to use social media to promote their non-product centric activities, while banks	*"I know that, for example, banks in Kosovo sponsor all the time. They have different events where they have their logos, maybe their name somewhere, so it can be a sport*

abroad capitalize on such content	*event, it can be whatever but they never share that content. And I know that the Facebook page of the Austrian bank - the first thing that came out was a rally contest."* (P28: male, 24, Kosovo)
Banks abroad are more liberal with content in order to appeal to wider population segments	*"So therefore if you look at that bank, obviously they also promote credits and loans but they also provide other content that doesn't really relate to the bank, that's just some type of activity, what happens with them. So they do it the way that is more interesting and engaging for younger people."* (P28: male, 24, Kosovo)

In the eyes of consumers, these nuances between banks abroad and domestic banks, make a distinct divide between what constitutes advanced use of social media and latent approach for the banking industry. Consumers associated the liberty with which foreign banks posted diverse and non-product-centric content with the knowledgeability of how to use social media properly. On the other hand, cautious and reserved content of domestic banks was associated with latency in mastering the social media. These distinctions are important for identifying the elements that young customer seek in social media communications with banks and are important implications for banks.

6.3 What constitutes the value of banks' presence in social media sites for young consumers

Having identified in the previous sections the themes that shape the outlook of young consumers on the use of social media to interact with banks, it is possible to explore the premises of what constitutes the value of having banks in social media. This was an important input, because it allowed comparison of benefits for both parties of the dyad, and helped identify areas of mutual value from social media.

6.3.1 Values that banks receive from engagement in social media

In the eyes of consumers, presence in social media provided banks with the opportunity to reach young population of clients, especially students, who are typically very active in social media sites. The value of this benefit rested in the opportunity to create awareness for these consumers about banking products and services, new offers and initiative and latest promotions. In other words, participants argued that banks benefited from a chance to get "closer" to consumers and to create a sense of relevancy to younger target groups.

However, more importantly, consumers emphasized that social media provided banks with invaluable opportunities to promote their contributions to the communities and causes. Consumers urged that banks should see this as the main value of social media. Consumers argued that while banking products and services enjoyed sufficient promotion in the mainstream media, the community-centric activities of banks often missed the necessary media space. In the eyes of consumers, social media provides banks with an ideal space and tools for communicating such aspects of banking. It gives banks the opportunity to build their image and demonstrate corporate values in action to the publics. The following quotes from the interviews illustrate these views:

"I emphasize all the time, in terms on social corporate responsibility it's very good for a bank to have a Facebook. It can post all the actions and even, I don't know, if they want to plant trees, let them go have it, and they want to inform peers. Voila - Facebook."

(P20: male, 34, Greece)

"What we talked earlier about welfare and all those things that they do, it's so much easier to let people know what they're doing, and that creates value for the company, so they can benefit."

(P24: male, 22, Kosovo)

This is an interesting and important finding, as it reveals that from the perspective of consumers, banks should see the value of social media in the opportunity to endorse the non-commercial side of banking. Such opinion stretched across multiple focus group discussion with consumers and was a reoccurring theme. The implications of this finding are discussed in greater detail in the final sections of this chapter, containing recommendations on how banks can improve their social media activities from the perspectives of customers.

6.3.2 Values that consumers receive from banks' engagement in social media

When discussing how presence of banks in social media could benefit consumers, participants highlighted several areas where value could be found.

Firstly, social media could provide the convenience in being informed and updated with banking news, offers and affiliate programs. While in the previous sections of this chapter consumers often speculated that content revolving around banking services and products would be "boring", they admitted that being informed about the latest campaigns and trends was valuable. It is an interesting revelation, as it suggests that being aware of the latest news and developments in banking was important and valuable. An illustration of this rationale can be found in Table 37, which summarizes the themes pertaining to the concept of value of social media in banking.

In terms of the content, consumers argued that the true value of bank engagement in social media would lie in supplying audiences with a diverse material covering broad spectrum of topics – from the management of personal finances to social activities of banks. Consumers argued that they would value content that diverts from the advertorial character found in the mainstream media and would see the worth of the content that informs, educates and entertains.

To begin with, consumers stressed the value of content that is produced with the particularities of their demographics in mind. That being said, they highlighted that they would attach greater worth in the content clearly designed to target young population of clients (e.g. information on student cards, financial offers and programs for students, affiliate programs that offer benefits to students etc). A concrete example of this rationale can be found in Table 37.

Furthermore, participants emphasized the value of the content of educational character, which would not only inform them about banking services, but would also help them learn about how to use these services and how to plan and manage their finances (e.g. how to plan travel expenses, how to save money for summer holidays etc.). Participants pointed out that they often feel incompetent to use certain banking services (e.g. e-banking, mobile banking, how to make safe online purchases etc). Social media was seen as a suitable outlet for providing such educational material to young consumers, since they are accustomed to use social media for learning.

Moreover, consumers agreed that banks should provide the type of content that caters to a wide range of interests of the community. For instance, participants highlighted that they would appreciate content which shows how banks "give back" to the community through social initiatives (e.g. content on CSR, sponsorships, events etc). In the eyes of consumers the value of such content is in the opportunity to see banks and the people who work for banks as the active members of the society. This could help overcome the stigma that banks are the mischievous abusers of people's finances (as majority of dissatisfied participants described banks in the focus group interviews). This is an important finding, as it suggests that even consumers with negative banking experiences and those initially opposing banks' engagement in social media could think of a way in which banks could offer value in social media. This is an important revelation, containing implications for bank marketing in Web 2.0.

Finally, the value of presence in social media could also stem from an active engagement with the online communities. More specifically, consumers emphasized that following banks in social media would be a worthy exercise under the condition that banks use the interactive side of Web 2.0 platforms (i.e. comment section) to collect customer feedback and apply it in their operations.

This caused some controversy among participants, as it touched on the subject of the trust in online communications with banks (i.e. online comments could be misleading and could affect the trust in financial service providers; banks would not be trusted to handle critique in social media). Customers argued that social media could be a valuable tool for clients, giving them an outlet to express concerns to the banks and to ask the banks to modify some practices. An example of such outlook is provided in Table 36. Nevertheless, consumers highlighted that the value of social media only extends to the degree of banks' responsiveness. Thus, if banks neglect to address clients who reach out to them via social media, the value of banks' presence in social media would diminish in the eyes of consumers.

Table 36: Summary of themes constructing the concept of value of banks' social media presence for consumers.

Themes	*Sample quotes*
Social media offers convenient way to be informed and updated about banking news and offers	*"So I think this is useful to, for example, not just communicate with clients, but update them with the news and offers they have. Because you just don't come up with ideas what they might offer. I think this is the main usefulness of these social media."* (P7: female, 21, Kosovo)
Type of social media content in banking valued by consumers: 1) Content targeting young population	*"I would also get some information if they have any scholarships about the students, about different discounts they might have for the students, or international payments for the student or something."* (P5: male, 22, Kosovo)

2) Educational content	*"Because people find it very complicated: what, I need a website, I need to get what numbers and the credit card, banking card, sometimes more than two numbers appear, which one to use, maybe I'm given the wrong one, maybe somebody has seen my PIN code or something. So I would say, it would be a suggestion, that banks could use these channels in order to provide more clarification about how e-banking can be used and benefits of it."* (P5: male, 22, Kosovo) *"I would follow a bank if they posted "how to" or something like that, you know? It would be very relevant to me. There are a lot of things that I cannot do in banking because I don't know how to do them. For instance, I know that e-banking is very easy and all that, but like I've never… I always felt embarrassed of going to the bank at this stage and ask somehow: "Do you have…?" - the stuff that I should be knowing, it's like that. And so it's one of the main reasons why I never used those services that the bank offers. And if they posted online how to do something like that it would be useful for younger customers, and I actually – I would be very interested."* (P27: female, 23, Kosovo)
3) Community-centric content	*"You know what I would like to see from a bank being advertised? I would like to see on social media that they gave money back for a cause. Yeah, that's right. For a cause. For example, I know that Piraeus bank has given some money to build museums in certain island, Greek islands…. Specific like art museums or something. I mean, I would like to see that if I was to "like" something from a bank that would be it – to offer something to the community."* (P21: female, 32, Greece) *"But I think they have to support some things, like the national football team. Yeah, maybe some people think that this is stupid, but if Greek people care about football I think it's nice to see that they support the team and "Go to Brazil!"* (P29: female, 23, Greece)
Interactive aspect of social media valuable tool for communicating to banks feedback about banking services	*"I believe that's a very good thing. It increases competition among the banks to make their products better, more customer friendly I would say. It's like it's the power that social media gives you – to get your opinion heard."* (P21: female, 32, Greece)

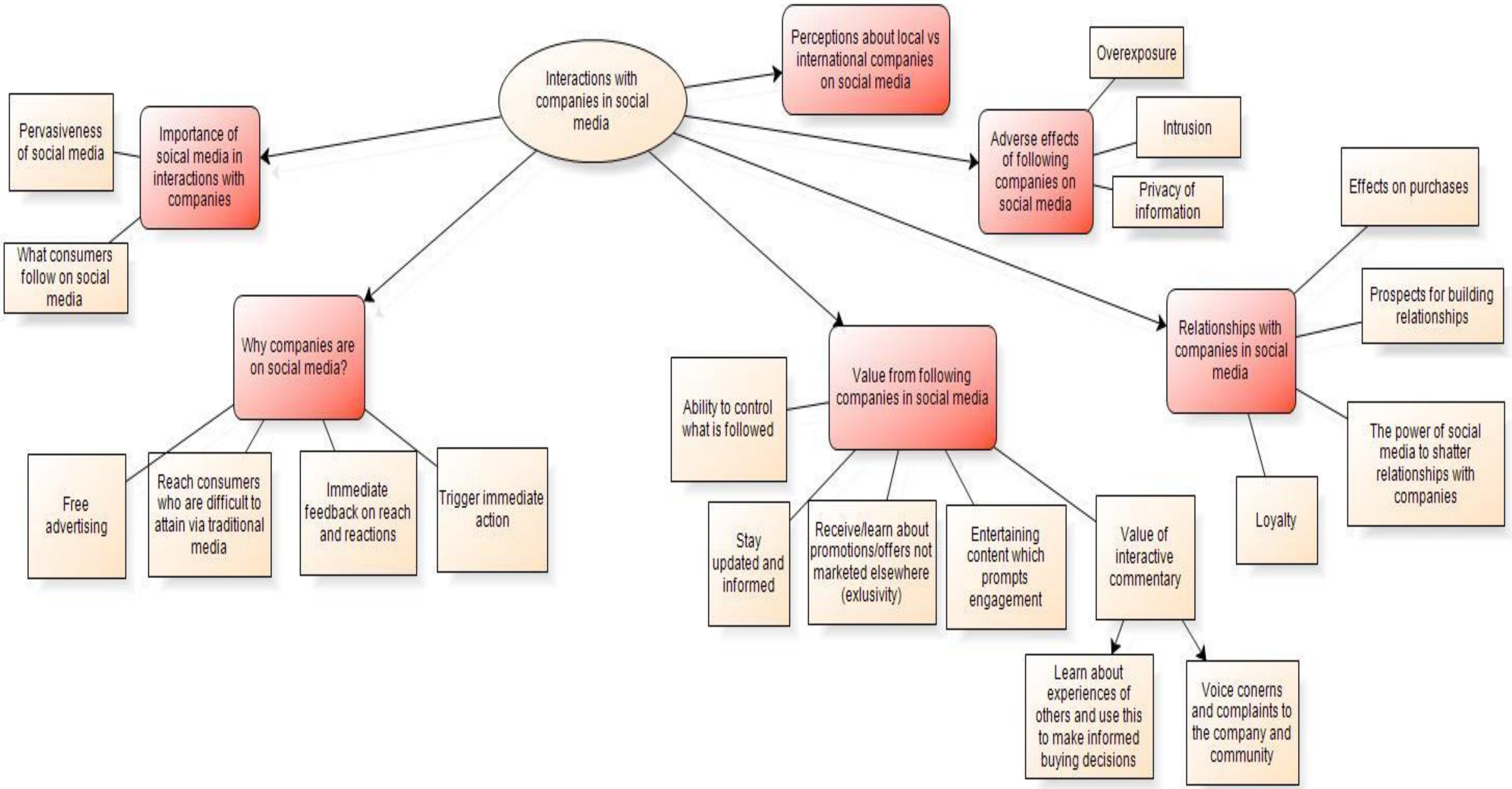
6.4 Similarities and differences in consumer interactions with banks and other types of companies via social media

In order to enrich the discussion on the role of social media in relations with banks, it is necessary to provide comparative reflections on how consumers use Web 2.0 to interact with other types of organizations. Such spin on the topic introduces new insights on the subject.

It was interesting to explore how consumers depict engagement with other companies in social media and to identify the areas where themes differ for banking. This was a valuable contribution to the understanding of the consumer mindset about social media and banking, as it provided richer context to the study. This was necessary in order to allow constructive comparisons of insights and to identify what makes the case of banks in social media unique and different in the eyes of customers. Figure 16 illustrates how themes under this umbrella of thoughts are organized.

This section begins by exploring the types of companies young consumers usually follow on social media. The text further addresses what value consumers perceive to obtain from following companies in social media. This allows comparison with the value received from following banks in social media. Furthermore, perceptions about the use of social media between domestic versus international companies are provided in order to give broader context to the discussion about Web 2.0 activities of banks at home versus banks abroad. Adverse effects of following companies in social media are discussed in order to identify the extent to which the underlying themes are reflected in banking as well. Finally, the discussion on the prospects for Web 2.0-mediated relationships with companies concludes this section.

Figure 16: Constructs comprising consumer mindset regarding the use of social media in interactions with companies.



6.4.1 Perceived importance of social media in interactions with companies

One of the best indicators of how pervasive social media have become in interactions between companies and consumers, are the testimonials of participants who explained that the most common for reaching companies in the online setting was via Web 2.0 platforms. Young consumers admitted that they often purposely overpass the official websites of companies and brands and instead go directly to their social media pages. This is a very different approach from what was discussed in regards to banking, where consumers expressed strong preference for using banks' websites, call centers or offline means for reaching their financial service providers for inquiries as well as information.

The main rationale behind the tendency to rely on social media was the aspect of convenience. Consumers already spend a great portion of their time on social networking sites, so it was convenient to add social media pages of companies to their daily newsfeeds in order to obtain information and updates. This rationale is well illustrated in the following example from the focus group discussions:

"I use Facebook for everything, that's the only thing I use, that's why I get everything on Facebook. And so because I use it so often I follow big brands that I mostly like on Facebook. Because I know that I can frequently see what's going on with them. I don't even use websites anymore. I've never gone on a website! I hate websites. They need to download and it takes so much… it's just I never go on a website."

(P27: female, 23, Kosovo)

Such sentiments were common among participants of this study, and majority placed great weight on the ability to reach companies and brands via social media. Consumers admitted that social media was important because it tackled the fear of missing out on the information and the latest news. However, banking was exempted from this habit. According to focus group discussions, offline media was still a more preferable choice for obtaining information on their financial service providers. Social media was, however, preferred when consumers wished to obtain information about general financial trends and news.

Consumers expressed beliefs that presence in social media was important for companies. Some stressed this notion by arguing that if a company nowadays did not have social media presence, this would be perceived negatively for its image. Not having presence in social media was associated with being outdated and irrelevant in the eyes of young consumers, which further stressed the pervasiveness of social media in the interactions with product/service providers. The most vivid example of such outlook was captured in this focus group excerpt:

"And I think it's a matter of strategy too, because in the way that the "new world", in quotations, is going everything is becoming digitalized. So if a company falls behind and doesn't appear online it might create a negative impact on the customers that will say: "Hello? What's up here? Why doesn't it have an online store for example? Why isn't it on Facebook? Why we search and can't find? Is it because perhaps they are not such a good company? They don't have the resources to do it? They're stupid and they didn't do it?" And you might create the exact opposite effect like not being on social media."

(P9: male, 22, Greece)

These insights provide interesting point for discussion. These findings illustrate drastic difference in the rationale of consumers about the presence of banks in social media versus the presence of other companies. While the concept of online interactions with brands and companies is inseparable and even incomplete without the Web 2.0, consumers stated that banks did not "need" to be in social media and that their presence in Web 2.0 channels was not deemed "necessary" or "attractive". Based on these contrasting views, it could be suggested that in the mindset of customers, banking belongs to an entirely different category of consumption, disassociated from the consumption of the other types of products/services. Therefore, it requires a different approach that excludes "too popular" sites like social media. Hence, this isolates banks from the other types of organizations in the mindset of customers, and places them under the different conditions that possibly exclude social media.

This observation was strengthened by the insights gathered from the inquiries about the types of companies participants typically follow on social media. Consumers attested to following a wide spectrum of companies and brands. Examples included: educational institutions (universities and formers schools), clothing companies (e.g.

“Zara’, “H&M”, ‘Nike”, “Scotch & Soda” etc.), travel agencies, sports teams and sports-related businesses, non-profit organizations (e.g. animal shelters, charities etc), event organizations and venues, consumer electronics companies (e.g. “Apple”, “Dell”), food brands (e.g. “Oreo”) and news organizations. Many participants admitted to having a rather frivolous attitude about adding pages of organizations to their web newsfeeds. They confessed that following companies in social media was often done on impulse. As this humorous example illustrates:

“And sometimes I have noticed that maybe I “like” things that are totally irrelevant to me. For example, I “like” Mr. Proper and I hate cleaning! [laughs] It’s just fun and somehow funny or something.”

(P29: female, 23, Greece)

This is an interesting finding because it once again highlights the contrasting attitudes consumers have about following banks in social media versus following other types of companies. Consumers expressed openness to include a very wide variety of companies in their social media (sometimes even companies and brands they do not normally purchase from), but stated a much more reserved stance towards opening their Web 2.0 newsfeeds to banks.

Moreover, the aforementioned examples were provided by participants openly and without justifications. In some cases (as in the example above), the actions could even be described as somewhat frivolous. However, the prospect of following banks seemed to require a well-justified pretext. In other words, while following “Oreo”, “Mr. Proper”, “Nike”, “Starbucks” or “Zara” on social media was described with insinuation of something commonplace, the prospect of following banks for majority of interviewed young consumers was received as an alien concept which required justification.

Possible explanations for this could be found in the earlier discussion about the mismatching characteristics attributed to social media and to banking. Consumers highlighted on numerous occasions that social media for them were a source of entertainment and pastime. Consumption of “Oreo”, “Starbucks” or “Zara” in the eyes of young consumers was perceived as “fun”, “funny” and “entertaining”; hence it is easy to see the how this notion extended to the inclination to follow such brands on social media. However, consumption of baking services was described as “boring”, “serious”, “obligation”, clashing with the characteristics typically associated with social media. As a result, this could possibly explain why the prospect of following banks in social media was often perceived by young consumers to fall outside their comfort zone.

6.4.2 Perceived value of the presence in social media for companies

Discussion on consumer perceptions about the role of social media in interactions with corporate entities continued with a comparison of perceived values of social media for banks versus other types of companies.

From the viewpoint of customers, one of the key appeals of engagement in social media for companies is the opportunity to advertise products/services and brands to a vast number of targeted customers at relatively no cost. Presence in social media is perceived to allow companies to create awareness for their products and services and to reach the coveted demographic segment of Gen Y, who is less accessible via traditional channels. Furthermore, social media allow companies to gather instantaneous feedback on consumer opinions about product/service offerings. More importantly, social media are recognized by consumers to have the power to trigger immediate reactions and drive impulse purchases. Table 37 summarizes these themes.

Table 37: Summary of themes constructing the perceived values for companies from engagement in social media.

Themes	*Sample quotes*
Free advertising	*“Mostly, these social networks are free. You advertise to millions of people without giving at all money, really. And it’s not only the cost, it’s the mass that you can find.”* (P4: male, 22, Greece)
Create awareness for products/services	*“Like, they know we are there and it’s easier for us to see an advertisement for an offer or service on Facebook than going on the Google typing and something. Maybe you’d never think about that.”* (P11: female, 21, Romania)
Reach and target generation of young consumers	*“Also our generation, the teenagers and people let’s say 20-30, they don’t really watch TV, and I think that’s a really great way of advertising to people through their means of communication. For example, if you don’t watch TV and you cannot see the advertising in there. It’s easier for them just to pop-up this window on Facebook, as you know that they are using it and it’s easier to reach them.”* (P10: female, 21, Romania)
Instant feedback on audience reach and reaction	*“And the traditional advertising, if you are thinking about television and radio, you do not know exactly if the customer has been aware of that product. Social media – you know if they have responded to it or not, because there are statistical*

	analyses that give the companies the right to know if the customers have clicked that product or not, and how many. So that makes the difference." (P23: male, 21, Albania)
Trigger impulse actions and purchases	*"With social media you see something and you can reach them immediately. That I "like" this; I can go and buy it right now."* (P25: male, 22, Greece)

The common pattern captured across these themes is the perception that the ultimate value for companies social media is the opportunity to use social media to advertise and sell. Consumers described this as the key motive for companies to be present in social media. The following excerpt from one of the focus group discussions captures this sentiment:

"Well, as in television campaigns or radio campaigns, they're trying to achieve the same thing basically: selling, selling, selling. We are living in the era of selling where the only and unique goal is just to make profits and to bomb you with… in any way, with any purpose with their products."

(P1: female, 23, Romania)

Despite acknowledging this tendency, consumers did not express indications that this would diminish their eagerness to "follow" companies on social media. They reasoned that companies also must pursue their own interests in social media. This was a conscious compromise for the entertaining and engaging content young consumers received from the companies in return. The rationale for such barter of benefits was described in the following way by one of the participants:

"That's the whole idea at the end of the day. You just know everything about everyone so you can, you know, manipulate. And it's ok; because you know, we're consumers and we accept it, because otherwise we cannot get our products."

(P11: female, 21, Romania)

However, when discussing banks' presence in social media, the sentiments were different. As captured in earlier sections of this chapter, consumers advised that banks *"don't have to even advertise"* their products and services in social media, if this was the sole purpose of their Web 2.0 presence. In other words, there was a strong sentiment among young consumers opposing the use of social media by banks to sell their services to the followers. The contrast in attitudes towards banks versus other companies is illustrated in this excerpt:

"Ok, for other services like, I don't know, restaurants, travel agencies and these kind of things, or some companies that are making products – ok, I understand. They are using social networks in order to promote, to spike awareness. For bank I don't see the point, I don't see the need!"

(P30: male, 23, Serbia)

Possible explanation for this rather drastic difference in attitudes could be found in the observations noted earlier in this chapter regarding the nature of banking products and services. As noted previously, some consumers argued that there was no need for social media-based rapport with banks, as their products and services were essentially always the same. True innovation in the retail banking was rare and did not occur with the frequency that fast-moving consumer good companies have and use to introduce new products on the market. Instead, banking products and services were frequently only "re-marketed", while essentially remaining the same. Moreover, virtually all retail banks offered almost the same products and services. Therefore, consumers perceived no need for continuous exposure to bank advertisements in social media. Thus, from the viewpoint of consumers, social media advertising was not equally perceived for banks versus other types of companies.

Another possible explanation to the perceived discrepancy could stem from the observed negative connotations with which consumers referred to banks. While exposure to food, clothing, hospitality and other types of companies in social media stimulated positive sentiments related to entertainment, consumers feared that advertorial content of banking services might evoke memories of unfortunate experiences with banks and create sense of discomfort. Therefore, participants stressed that the value of social media for banks should be the opportunity to share and publicize community-oriented content and the activities that benefit the society, rather than advertising.

6.4.3 Perceived value for consumers from following companies in social media

In order to understand better the interactions between consumers and companies in social media, it is important to explore the value that consumers believe to gain by following organizations in the Web 2.0 platforms.

Some of the most valuable benefits of following companies in social media cited by the participants were: the ability to select and control the exposure to companies and brands; the ability to stay updated with news, offers and receive content that is both informative and entertaining with the comfort of a few clicks; the ability to get acquainted with new companies and brands and obtain offers and promotions not publicized in the mainstream media.

The most prominent theme was the value of receiving content that is entertaining. Consumers expressed strong favoritism for the content that provides amusement and entertainment, while at the same time makes the consumer feel engaged with the online community and the company/brand. Examples of the recounts attesting to this theme are summarized in Table 38.

Table 38: Examples of themes about the value of entertainment from following corporate pages on social media.

Themes	*Sample quotes*
Informative content combined with amusing and entertaining content offers value	*"That's how I like companies to use their social media. Not just to post whenever they have an event or where you can find them or where I can find the product – I can do that any time I want, I mean…I need you to entertain me with your name somehow."* (P27: female, 23, Kosovo)
Entertaining and enticing content creates the sense of being "closer" to the company due to interactive engagement	*"It's much more interactive. They give you the opportunity to do something, to be more interested and more engaged. Because traditional advertising – ok, I can ignore it and talk on the phone. But if they think of a clever, like game in Facebook from some company, I might actually play for fun to see how it is. And it's closer to you."* (P9: male, 22, Greece)
Entertaining content encourages to engage with a company more	*"Because if there's something that attracts you, ok, you search for more, you explore more."* (P1: female, 23, Romania) *"I think that traditional advertising was just simply that one advertisement that they target the customer, but in social media you put that single advertisement but the customer has the ability to go inside to your website, to go through other products or other services that you're offering. So that makes the real difference."* (P23: male, 21, Albania)

This could possibly explain why participants placed high value from social media engagement by banks on the content that is educative, explanatory and community-centric. While the motivations and incentives for following banks in social media somewhat differ from those for following other types of companies, the criteria of what makes a corporate page interesting and worthy of following for consumers appear to be universal. These insights suggest that the content is one of the determinants of the value of following corporate pages in social media.

However, consumers argued that entertaining content should be balanced with the content that also offers other types of values and benefits (i.e. informative, educational, instructive, and enlightening) in order to avoid deviation from the main corporate message. Consumers pointed at the danger of over-reliance on the entertaining content:

"But on the other hand you have so many companies that are paying attention on being, you know, entertaining or funny and interesting and stuff but sometimes they are forgetting the most important thing. There are for example, some of them are not including, you know, like, where you can find them or, you know, like, where you can get the products or, you know, these types of things. Like this "Avon". They are paying so much attention about this cause marketing on social media and everywhere: "Avon ,cancer, this-that, breast cancer this, cancer that…" In the end I don't know what Avon does!"

(P30: male, 23, Serbia)

The importance of establishing a balance between various types of content in social media is an important implication, that could be extended to banks as well.

Finally, consumers emphasized the importance of interactive exchanges in social media. It was recognized that comments were *"the best part of social media"*, as they allow consumers to learn about the experiences of others and to exchange information about services and products that helps in their purchasing decisions.

Focus groups also revealed how young consumers use the commentary section in social media pages to interact with companies. Firstly, participants revealed that they mostly read comments and reviews posted by others, rather than contribut to such content. Secondly, participants revealed that the decision to comment on brand or product/service experiences in social media largely depended on the type of sentiments carried towards the brand or product/service. For instance, participants attested that if they felt favorably or sympathetically towards the product or brand, it would be sufficient to simply click the "like" button in order to communicate their positive sentiments on social media. However, consumers admitted to being more prone to write comments on corporate pages in social media if they were dissatisfied with the product/service or encountered negative experiences with the company. Examples of the recounts on these themes can be found in Table 39.

Table 39: Summary of themes on the behavior of commenting on corporate social media pages.

Theme	*Sample quote*
"Like" and *"share"* sufficient cues for communicating positive sentiments towards product/company, making further commenting redundant	*"But by becoming a member of a company's page, by clicking that "like" button for example, my view is that I do give a positive connotation – yes, that I like this company since I'm becoming a member of that either group or page. But I don't usually write comments and that stuff either positive or negative."* (P9: male, 22, Greece) *"So, if you press just "like" button without saying any comments or anything, it means that you like the company, it means that you make people follow your gesture."* (P10: female, 21, Romania)
Commenting mostly reserved to share negative experiences with product/company in order to let the company know of a problem and share the experience with other customers	*"What happens to our country, if I am right, is that the best way for customers for these pages is just to show their dissatisfaction at these pages, nothing more. So the customers use these fan pages only to show how dissatisfying these products are. What I've seen there they rarely post some positive comments."* (P23: male, 21, Albania) *"I've never done it. Seriously. I mean to click "like" or not even to comment. Maybe if they piss me off at some point I would comment, you know like, I wrote a bunch of things."* (P30: male, 23, Serbia) *"If you go on a Facebook page and you see that other people write on your Facebook page it's just complaints – I think that says a lot about how you handle your customers. On Twitter I've used it not necessarily to complain and expect a refund, I just vented, like, a lot and just added a company name or whatever."* (P27: female, 23, Kosovo)

This is an important finding that could be related to banks. In earlier sections of this chapter it was noted that consumers identified that social media oftentimes were perceived as unsuitable for banks due to the volatile and unpredictable nature of the comments. Consumers mainly expressed fears that banks would attempt to exercise too much control over comments or even censor negative reviews in attempts to preserve positive public image. This presents an important implication for banks on the challenges to be anticipated from social media engagement.

6.4.4 Perceived adverse effects of following companies in social media

While interaction with companies or brands in social media offers certain values and benefits to young people active in Web 2.0 channels, consumers also recognized that engagement with corporate social media pages also bears certain risks and disadvantages.

One of the main adverse effects encountered by consumers who follow companies in social media was the problem of perceived overexposure to branded content over time. Consumers acknowledged that while posts about new products, offers or promotions were informative, too frequent encounter with an advertorial content in social media was perceived as "annoying", excessive and even "intrusive". (It is important to note here that participants did not provide a distinct measure as to what constitutes overly frequent exposure to advertorial content, which is something that could be addressed by future research endeavors.) In the discussion about banking, consumers also warned that excessive advertising of banking services and products would be perceived negatively and would contribute to not following banks in social media.

Consumers identified that following companies in social media posed certain risks in terms of the privacy of personal information. It was well-acknowledged by participants that many companies systematically collect online data about their followers for the purposes of advertising. However, while admittedly causing discomfort, this was not perceived as a great threat by consumers, who argued that such practice was a barter for receiving interesting content in social media. It is interesting to note how despite concerns over privacy, consumers did not perceive that to be a sufficient reason for seizing interactions with companies on social media.

Nevertheless, the concerns over the privacy of information were identified as important reasons for not connecting with financial service providers in social media. Possible explanation for such contrasting attitudes could be found in the rationale that banking was described as a very personal matter, which does not belong on social media. Consumers strongly argued that the prospect of seeking consultation, advice, guidance or recommendation from their financial service providers on social media was not an appealing notion, as there were no guarantees that such online exchanges would be safe. Therefore, concerns over privacy of information were taken more seriously in regards to using social media to follow banks versus other types of companies.

6.4.5 Perceptions about local versus international companies on social media

In earlier sections discussing banks in social media, consumers expressed beliefs that their domestic financial service providers lagged in social media adoption in comparison to the banks abroad. Similar perceptions were shared about the overall state of social media adoption by other types of companies in the region.

Consumers identified several themes that characterized the use of social media in marketing by domestic businesses. Firstly, it was noted that many businesses adopting social media *"did not know how to use it"* and focused predominantly on gathering followers, while failing to supply adequate or sufficient content. Participants shared stories of how in the hands of small local companies the concept of social media marketing was often trivialized and caricatured. For instance, participants referred to the trend among domestic businesses to "purchase" online followers for the sake of appearing popular in social media, but without publishing content to support that image. Thus, social media activities of domestic companies with lesser interest and trustworthiness than the pages of foreign companies and brands. As expressed in this excerpt from a focus groups discussion:

"It should be different, though, because social media is a great opportunity for smaller companies to increase loyalty, to attract customers, to get more popular and stuff… And on the contrary, they don't use it in the right way In comparison to these big companies, which actually are using them properly, you know."

(P30: male, 23, Serbia)

Moreover, local companies were criticized for not producing creative and appealing content that could be as engaging and attractive as the content provided by foreign companies. More importantly, participants pointed out that local businesses lacked the consistency in their social media strategies, and at times neglected their pages for lengthy periods of time. This was perceived as a signal that local companies often lacked thoughtfulness in social media marketing and did not offer enough value. These perceptions possibly extended to the perceptions about the domestic banking sector as well, which was also believed to lack zeal and competence for social media.

6.4.6 Prospects for developing relationships with companies in social media

Despite identified benefits from following companies on social media, consumers experienced difficulty discussing the notion of relationship with companies in the online setting. Several interesting premises were identified about the ways that social media affects relations with companies.

Firstly, participants explained that the act of following a company or a brand on social media did not automatically translate into being a customer of that organization. While most participants attested to following pages of companies to which they are clients, in some cases consumers followed companies without the intent to purchase. As illustrated in this example:

"I wanted to add that sometimes when I see images and pictures that companies have uploaded, I have ended up "liking" the page just because I want to browse through their pictures. It's not that I really like the company or I would buy, I don't know, a dress from there. It's because I really enjoy browsing photos."

(P26: female, 26, Greece)

This is an interesting premise, because it suggests that being a customer is not always a precedent for developing rapport with companies in social media.

Furthermore, participants pointed out that while following companies in social media enabled them to stay updated with the latest promotions and offers, they did not always make purchases from the companies endorsing the content. Participants attested to occasions where exposure to the content in social media triggered the desire to purchase a product/service, but the purchase was ultimately realized with a different company or a brand. The following example illustrates this notion:

"I got the information on Facebook and once I went to the website, the website was somewhere in Athens or something, but I found a local store and I bought it there,

so…I don't think that company that tried to reach me…I don't think they benefited because I didn't buy from them, but the store here in Thessaloniki benefited because I went and bought it!"

(P24: male, 22, Kosovo)

This illustrates the complexity of the cause-and-effect patterns in consumer interaction with corporate pages in social media and demonstrates the difficulty of placing the worth of Web 2.0 mediated interactions in business-consumer relationships.

On the one hand, social media made some consumers feel "closer" to the companies because they engaged with their online content on the regular basis. On the other hand, they did not necessarily describe the rapport they had with these organizations as a relationship. The role of social media in this sense was perceived to be supportive and enabling, but not precedent for a relationship.

In the eyes of consumers, relationship in social media could be more accurately be described as the affiliation to the community of other customers, rather than the affiliation to the company per se. The following excerpts describe this rationale:

"There is a matter of culture from the company's perspective. For example "Apple" has created a very strong culture that all Mac users are really interrelated with each other. They have this sort of philosophy. I think that this culture can be transferred from the company to the customers much easier through social media rather than before."

(P9: male, 22 Greece)

"Ok, so there: you have your computer, you have your company in front of you – there's just that much of a relationship you can form, you know… this virtual interaction. I think it's just a platform where you can more interact with customers that have tried the brand. So through that, yes, you get to develop a relationship with the brand, but not because of brand allowed you to do that, you know… the people behind the brand… but the other people that used the brand."

(P11: female, 21, Romania)

This is an interesting finding that could be extended to the topic of relationships with banks in social media as well. When discussing the experiences of participants who followed banks in social media, consumers revealed that the number of follower, posts and comments was important when considering whether to follow bank' pages in social media. This implies that the propensity to establish relationship with a community in social media influenced the likelihood of having a rapport with a bank in Web 2.0. However, more attentive examination of this insight is required in the future research.

Consumers were more resolute in their convictions that poorly managed interactions in social media have the power to shatter relationships. They argued that correct handling of interactions with clients via social media had the power to make-or-break relationships. Participants attested to the examples where their long-running relationships with certain companies and brands were shattered and even terminated due to the poor handling of inquiries in social media. When consumers turned to social media in for help or to report faulty products/services and received inadequate attentiveness to the problem (e.g. no replies, generic automated replies redirecting them to offline customer service etc) they were ready to terminate business with these companies. In such cases, participants denoted that social media had the power to negatively affect relationships with companies and brands.

On the other hand, participants also described instances where social media demonstrated the power to support existing relationships with companies in a positive manner. When social media was used by companies to attend to consumer inquiries and problems, consumers described the interactions as delightful and very positive. Some argued that this contributed to prolonging their relationships with companies. Examples of consumer testimonies describing these themes are provided in Table 40.

Table 40: Summary of themes related to the power of interactions via social media to "male-or-break" a relationship with a company.

Theme	*Sample quote*
Interaction with a company on social media can damage the relationship if the company fails to address customer inquiries with attentiveness	*"My uncle was in question, but they told him something very broad and they didn't actually answer his question or complaint or whatever. There is no point of interaction with customers if you cannot give something specific. Yeah, he stopped doing business with them. Sometimes just to show that you want to help means a lot to the customer. In this particular case they didn't try much. So, this is really affecting the relationship."* (P30: male, 23, Serbia)

	"I think it should be different when customer complaints online. I mean, the message should be a little more personalized than like… I bought something in Zara here and they were very rude to me, and I went online to Zara's Facebook page and I was looking at comments that other people have posted on their wall and every single one of them was a complaint! Every single one of them! They are very rude! And so they had very generic comments to everybody. There was one customer and they were like: "We are very sorry for this and this and this, please go to our website and write a formal application, it's a formal form for complaints and all that." *But are you still shopping with them?* *"I've gone in once in a while but I didn't actually buy anything from them."* (P27: female, 23, Kosovo)
Negative word-of-mouth on social media has the power to dent relationships	*"For example, I see Starbucks Greece - it was full of people complaining about the price, about everything. And I was fine once in a while I'd go to Starbucks, but after this I let them go, I don't go anymore."* (P29: female, 23, Greece)
Social media has the power to help customers in relations with companies if handled with attentiveness to customer online inquiries	*"This is about telecommunications company. And I don't know what I was complaining about, and I just tagged their name, I didn't even know that they actually had a Twitter account. And a couple of days later I get a response, very personal about what I can do with my problem or I could call them, and I wasn't expecting. [laughs] Surprisingly, it was really nice to know that people actually checked these accounts and responded to people."* (P27: female, 23, Kosovo)

These offers a rather complex outlook on the power of interactions in social media to influence relationships with companies and brands. The extent of the influence of social media on relationships is, however, difficult to define or formulate into a clear-cut cause-and-effect equation. Criteria for defining relationships vary from customer to customer, as do their experiences with companies in social media. Discussion on the influence of social media on consumer loyalty to companies and brands, however, helps explore this topic further.

Part of the participants in this study argued that continuous exposure to the content posted by companies in social media could create over time a sense of greater familiarity, closeness and even loyalty to these companies. Participants explained that by choosing to follow particular brands on social media, they consciously ignored other offers on the market. Exposure to curated content of preferred companies and brands in social media subsequently contributed to an enhanced sense of loyalty to these companies and brands. Excerpts from focus groups illustrating this rationale are provided in Table 41.

However, participants also emphasized that affiliation to companies in social media did not eliminate the need to be satisfied with the product/services, as a condition for loyalty. In the eyes of consumers, interactions in social media could help heighten the sense of loyalty to companies, but social media alone did not have the power to foster loyalty to a company or a brand. Thus, social media acted as a supporter and promoter of loyalty, but not a determinant factor on its own. This is an important implication proposing the extents to which social media can support loyalty in relationships with companies.

Table 41: Summary of themes related to the relation between loyalty and interactions in social media.

Theme	*Sample quote*
Continuous exposure to branded content in social media can create ignorance to other offers in the market and spur loyalty to the particular band followed	*"If I want to buy clothes I don't know any other stores besides H&M or like Zara. Seriously! Because they're flooding you with advertisement and like online commercials that when I go to visit a city I don't know any other stores besides H&M and I'm prepared before that. That's the only thing that's on my mind is their online advertisement."* (P27: female, 23, Kosovo) *"Subconsciously when you're thinking about buying something to clean your house with, you think of Mr. Proper, you know? Even if you use their other launders available for you. they create awareness for you that when you go to store you can't think of anything else, except of that brand that constantly and constantly flows your mind with entertainment and you just go and pick it."* (P28: female, 23, Greece)
Presence in social media alone cannot create customer loyalty to a company or brand; Prior satisfaction with a company and offline loyalty can be extended to the social media setting	*"I completely disagree that it can affect loyalty. This is my personal opinion. I seriously don't think that loyalty can be, let's say, fostered or can, like, be reduced if you have or don't have profile on some of the social networks. For me this is more like entertaining your customers. If you have, ok, it can increase awareness, which is another element. But to affect loyalty – I don't believe so. I think this is some myth, let's say."* (P30: male, 23, Serbia) *"For example, you if have Nike and Adidas. They have individual accounts on Twitter only for support. And they have I think over 100,000 tweets there and so many replies. So in that case you have a customer that likes your brand and you make him loyal through that channel. So you can create customer loyalty, but I think it's very difficult and it works maybe only for huge brands that are already available in the market so they just keep the loyalty ongoing or something. So if you try to create*

	loyalty from only online channels, I don't think it's usually possible." (P28: male, 24, Kosovo)

The extent of these findings to the consumer relations with financial service providers are discussed in detail in the next section of this chapter.

6.5 Concept of relationships with banks and its transferability to the Web 2.0 setting

The following section focuses more in depth on the question of whether and how social media could help mediate relationships between customers and banks. Having discussed in length the likelihood of using social media to interact with banks, and how this differs with other types of companies, the context for further discussion is established.

The following section addresses more directly the key research question about what kind of implications interactions with banks in social media have on bank-client relationships. This section explores in depth what constitutes the concept of a relationship with a bank in the eyes of Gen Y customers. The very notion of the relationship in banking is investigated from the perspective of clients, and their concerns, experiences and observations are explored in order to give depth to the discussion of the role of social media. By exploring what constitutes the reality of relationships with banks from the perspective of customers, it is possible to draw insights on the scope of utilizing social media to support consumer-bank dyads in the digital setting.

Figure 1 provides an illustration of the themes explored in this portion of the chapter.

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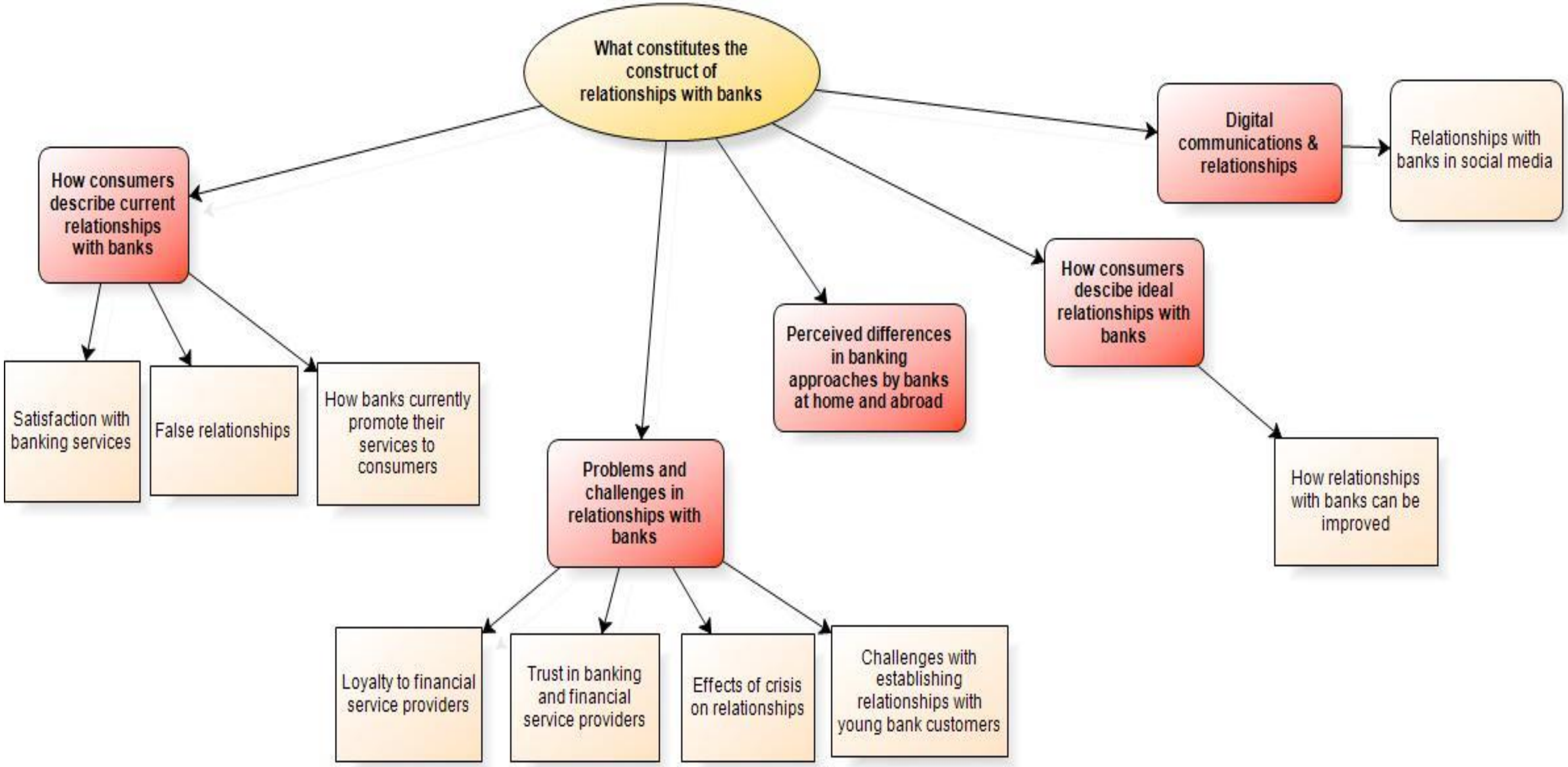
Figure 17: Themes exploring the notion of relationship with banks and the role of social media.



6.5.1 How consumers describe their current relationships with banks

Before embarking on the discussion about the role of social media in bank-client relationships, it is important to understand how customers characterized their exchanges with banks.

The insights from the case studies revealed that RM was not a universal approach pursued by all banks in the retail segment, and that in some cases transaction-oriented marketing strategies were preferred. This affected the perceived importance and relevance of social media in banking as well. Hence, it was important to explore whether customers shared possibly similar sentiments about the idea of relationships with banks, as this could influence the question about the role of social media in bank-client relationships as well. It was deemed important to investigate customer perspectives about the notion of bank-client relationship, in order to provide the context for the discussion about the role of social media in relationships in banking.

Firstly, it is important to acknowledge that customer's experiences with banking services influenced their perceptions about the nature of their relations with banks. In other words, participants with held negative experiences with banking services were less inclined to consider relationships with banks as possible, as opposed to participants who didn't experience hardships in exchanges with banks.

Majority of the focus groups participants described their exchanges with banks with neutrality. Their expressed satisfaction with the current state of exchanges with their financial service providers. The following excerpt from focus group discussions provides an example of this sentiment:

"And I cannot say anything like specifically with my relationship with bank on some kind of other level that it doesn't need improving. I mean e-banking, if it functions properly – so far it does, I'm fine with it. Nothing else."

(P6: male, 23, Serbia)

It is interesting to note, however, that some participants refrained from describing the contract with their bank as a relationship altogether. They stated that interactions with their financial service providers were based solely on simple, often automated or remote transactions (e.g e-banking services, ATMs, credit cards), which could not be described as relationships. The following example illustrates this notion:

"I have a basic cash card with Alpha bank and I don't have any relationship with Alpha bank, basically. The only thing that I can say is that their e-banking usually works fine. That's all."

(P22: female, 28, Greece)

This is an important finding because it reveals that despite a good track record of exchanges with a bank, consumers might perceive that there is no relationship with their financial service provider. This could subsequently influence consumer rationale of the scope of utilizing social media to support relationships with their banks.

Participants tended to question the extent to which their interactions with banks could qualify to be called as relationships, especially when compared against relationships they had with other types of companies. For majority of young bank customers in this study banking was described as the "necessary evil" - appreciated for the function it serves, but not a desirable experience. Hence, some consumers did not perceive their exchanges with banks as relationships and even suggested that relationships were not possible with banks. Examples from focus groups discussions attesting to such perception of banks can be found in Table 42. This finding could be one of the reason why some customers expressed that there was "no need" or appeal in communicating with banks in social media.

Table 42: Examples of quotes illustrating the perception of banks as the "necessary evil".

"I find the bank as a must, not something attractive for me." (P5: male, 22, Kosovo) *"For me banking is, what we were talking before, about things that you need and things that they make you believe that you need. For me a relationship with a bank must be strictly based on what you really need."* (P22: female, 28, Greece) *"Well, I do consider that bank would never ever create that relationship with his customers as other companies do. Because it's the business that they do. Because,*

basically, they are stealing money – your money."

(P23: male, 21, Albania)

Moreover, participants also identified the notion of false relationships with banks. Participants argued that under this concept, banking services are consumed by clients, but banks enjoy greater benefits from exchanges than their customers. Such imbalance in the value received from the exchanges does not fall under a concept true partnership, in the eyes of customer. Hence, participants argued that exchanges with banks without mutual benefit are false relationships, characterized by the with asymmetrical concentration of power. Examples of consumer rationale pertaining to the concept of false relationships are provided in Table 43.

Table 43: Examples of consumer recounts on the theme of false relationships with banks.

"The relationship starts, you know, in order to every month the interest, to make the balance every month. It comes into a very…how can I call it…vicious circle, something like this. A vicious circle where you have to return always, and always you know that you have to owe money to the bank, the interest, the deadline and everything like this. So basically the relationship is not that mutual. Everyone has to win from this relationship, but the bank has a profit, so that's it. We as customers, we're only machines for making profits to the companies, and this is especially for banks."

(P1: female, 23, Romania)

"They are super, super good to keep this relationship legal, although not true. It's a not so true relationship."

(P20: male, 34, Greece)

One of the possible contributors to such sentiments could be found in the manner in which consumers described how banks marketed their services to their population. Consumers commented that marketing efforts of banks focused primarily on advertising banking services services, while the messages about the benefits of long-term partnerships with banks were omitted. Advertisements targeting specifically students and young customers were scant and focused almost exclusively on promoting transactional services, such as credit and debit cards and online banking. Participants claimed that banks' marketing efforts failed to communicate to them the value of establishing relationships with banks.

Participants also identified a dose of passiveness in banks' approaches when marketing complementary or extended-range services to young clients. In their eyes, banks often missed to initiate a dialogue with young clients about the possibilities of expanding their use of banking services, and hence missed on the opportunities to initiate relationships.

Consumers acknowledged that their interest in banking services was quite limited due to the restricted financial means at their disposition. However, they partially placed the blame for their disinterest in banking on the banks and their failure to introduce this population of customers to a larger spectrum of banking services. In the eyes of participants, such incentives could have the potential for building and prolonging their relationships with banks. The following example from focus group discussions captures this rationale:

"I have this bank for 3 years. It's ProCredit. It's supposed to be right bank in Kosovo. And for 3 years nobody went to ask me if I want… like, if I need more from the bank. There was once this girl standing by the door and saying: "Are you interested in learning about this?" That's not personal to me. And everybody is just making circles, trying to go home, nobody was listening to her. But in 3 years that I had this same bank it's kind of absurd that they never once asked if I was interested in using anything else there, any other service."

(P27: female, 23, Kosovo)

This is an interesting finding, which also demonstrates a dose of contradictory convictions young bank customers appear to share. On the one hand participants claimed to not possess the financial means or the desire to deepen relations with banks. However, on the other hand they also criticized banks for not trying hard enough to convert them into more committed and relationship-bounded clients. This is an interesting notion, which contributes to a better understanding of the nuances of client-bank relationships.

The next section explores in greater depth the themes and constructs that pertain to the challenges in bank-client relationships.

6.5.2 Problems and challenges with banking relationships perceived by young consumers

This section addresses the theme such as loyalty, trust, confidence in financial service providers, as well as the elements that comprise relationships between banks and the population of young consumers. The following section provides insights on consumer reflections about these concepts for the purpose of identifying the areas which could possibly benefit from the incentives in social media.

6.5.2.1 Perceptions about loyalty in banking

In-depth focus group discussions with the population of young bank customers revealed interesting premises about what young consumers comprehend under the concept of loyalty to banks.

Firstly, participants largely attested to the belief that loyalty was a concept that extended beyond continuous and consistent usage of services of a particular bank. In the eyes of consumers satisfaction with banking services prompts continuous usage of the services, but that continuation of the service consumption was not deemed sufficient to be defined as the loyalty. It merely signified that the service hasn't failed yet. Example capturing this rationale can be found in Table 45.

Consumers attested to utilizing the services of multiple banks for different purposes. The functionalities of some banks were perceived adequate for frequent transactions and everyday operations, while the safety image of other banks was perceived attractive for holding deposits and savings. Thus, multiple banks were used interchangeably for different services. However, it is interesting to note that consumers attributed the responsibility for their decisions to use multiple banks to the pitfalls of how banks marketed their services and products. In the eyes of consumers when creating promotional messages banks usually focused on the benefits of a single service or products. As a result, it appeared that each bank in the marketplace was adequate only for a distinct type of services. This diluted the propensity of loyalty to a single bank.

Despite occasional inconvenience of juggling businesses with several banking institutions, participants argued that that wasn't a problematic issue for them. They claimed to have a sense of less burdensome attachment to each bank and a greater liberty to switch providers if the particular service seized to be satisfying. This further shattered the concept of loyalty.

Additionally, participants expressed that loyalty in banking was tightly connected to the ability to rely on the people working for the bank and the ability to trust their competency to provide a consistently good service. Thus, loyalty was perceived as a sense of camaraderie, sympathy and connectedness with the people working for the bank, rather than with bank as an institution. Absence of rapport with bank employees was linked to the lack of loyalty to the bank. Examples of participant rationale on these concepts are also provided in Table 45.

Table 44: Summary of themes constructing the concept of loyalty to banks.

Themes	*Sample quotes*
Satisfaction with the functionality of banking services and continuous use were not perceived to constitute loyalty, but indicated that consumer hasn't had a reason to switch the bank yet	*"I wouldn't call it loyalty. I don't feel I have a relationship with a bank to be loyal to it. It hasn't annoyed me, so I have no reason to look elsewhere. The e-banking works fine. In general, everything that I have ever needed to do with them it was ok. I have no reason to leave, but I wouldn't call it loyalty."* (P22: female, 28, Greece)
Use of multiple banking institutions for distinct services diluted the prospects of loyalty	*"Well, I won't say that I am loyal to a bank. For instance, with one bank I do e-banking. With others, which I think they are more secure, I just keep my money in there. So if I see that the bank has a good offer and good promotion, I would switch immediately."* (P23: male, 21, Albania) *"If there are 5 different bank accounts, like many of you have, you have 5 different bank accounts because bank focuses only on one thing and that's it. Do you know how much of a hassle it is to have 5 different bank accounts and get 5 different messages about how you need to spend money or when somebody needs to pay something which one needs to be open and which one is this…? It's tiring. Because banks focus on just one thing or one target market and that's it and then you have to go to other one for another thing. I think they really should focus on targeting us."* (P27: female, 23, Kosovo)
Loyalty to the bank was experienced through interactions with people working at the bank	*"What he mentioned, for example, that the lady like showed him how to do online banking. This is something you will remember. You are not going to remember someday: "Oh, I saw an online tutorial," you know. But this - I think plays a big role in loyalty, this is loyalty."* (P30: male, 23, Serbia) *"My relations with the bank – I'm using let's say e-banking in some case, I've been paying some bills using e-banking. It's very good. But when you go to a bank, I prefer going there physically, see what's happening and speak something with employees there. I have some friends that work there and it's, let's say, in a way*

	pleasant when you speak with them what's happening, how things are functioning." (P6: male, 23, Serbia)

This is an important insight, which could be used to understand better consumer attitudes towards social media in banking. If the sense of loyalty originates comes from the loyalty bestowed on a person working at the bank, then social media would not contribute to the sense of loyalty to a bank. This theorization, however, requires further empirical investigation to confirm the extents to its truthfulness and application.

6.5.2.2 Perceptions about trust in banking and banking institutions

Perceived absence of the sense of loyalty to banks was often linked to the issues of trust in banks. To begin with, participants largely attested to the view that the banking system at large was "dishonest" towards the retail customers, who often felt "cheated" and "mislead" by the complex banking procedures, contracts and clauses. The need to preserve consciousness and alertness with banks diminished the possibility of establishing the sense of partnership with banks. Hence, consumers did not perceive their interactions with banks to have the potential to accommodate true relationships. Table 46 contains illustrations of customer concerns on the topic of trust in banks.

Furthermore, changes in the retail banking in the SEE region introduced in response to the financial crisis also contributed to the weakened sense of trust in banks. Participants explained that the wave of mergers and foreclosures of banks in the region was received as a shock by consumers, who experienced a sense of uncertainty and mistrust as they observed their accounts being shifted from one bank to another due to the changes in the banking market. While some participants opted to minimize their dealings with banks by switching to alternative service providers, others reported feeling pressured to comply with the new state in the marketplace. In the case of the latter, consumers reported chaotic state of affairs at the banks with depleted quality of service, which further deepened consumer dissatisfaction with their financial service providers and enforced the sense of distrust. Examples of these recounts are also included in Table 46.

Table 45: Summary of themes related to perceptions about the concept of trust in banks.

Themes	*Sample quotes*
Procedures for banking and clauses not clear, so consumers did not trust banks and minimized their use of banking products out of fears of being tricked or cheated	*"They're dishonest. Their messages towards consumers were consistently misleading."* (P20: male, 34, Greece) *"I don't know. I don't trust the standard procedure for something like a credit card – which I don't have, by the way, I mean, the only reason I'm using a bank is because it's safer to have the cash card in my wallet than to carry all my cash with me. That's the only thing I have to do with banks. If I really needed to have some kind of interaction with a bank to take a loan, or a credit card, or something I think I would go to a lawyer."* (P22: female, 28, Greece) *"How I can develop some kind of relationship when I cannot put my trust into you? So there is a problem of functionality of the system in general, in background."* (P6: male, 23, Serbia)
Instability of the retail banking sector due to economic crisis shattered the trust in banks	*"I have three accounts: one in Kosovo, one in here and one in Austria. But I'm not using any of them because I'm working here in Greece with cash money. To tell you the truth when we opened the bank account in Greece, we opened it just before it got bought and everybody told that that it was kind of dangerous maybe. So, I'm going to have money at home and I'm not going to use the bank."* (P28: male, 24, Kosovo) *"The first bank has merged with one bank from Serbia, creating one bank. After that merging and acquisition process their services and their treatment of customers, at least from my perspective, personally, I don't know about the others, it was disaster. It was like you didn't have a choice, you had to have account there if you already didn't have. In general, service has, as far as I could observe, been depleted seriously."* (P6: male, 23, Serbia)

The problem of information asymmetry was also highlighted as one of the key sources of distrust in banks. This is an important finding which could contain implications for the use of social media in interactions with banks. Earlier in this chapter participants suggested that one of the ways social media could provide value to their exchanges with banks, was by opening the gates to information. It can be suggested that social media could provide the value of information to consumers and in that way help alleviate some of the causes of distrust in banks. Participants agreed that social media would be perceived valuable for obtaining the information about banks, including news, announcements and offers. This presents an important insight into the potential of social media to alleviate the problems of trust in banking, caused by the information asymmetry, and provides implications for parameters on how value can be obtained from Web 2.0 interactions.

6.5.2.3 Perceptions about the challenges of relationships with young bank customers

The sense of disconnect from the banking industry and the perceived inability to characterize exchanges with banks as relationships were some of the challenges attributed by participants to the particularities of their socio-demographic segment.

One of the most prominent themes observed by participants of this study was the issue of how banking differed for young bank customers, as opposed to other population segments.

Participants acknowledged that as college students in their 20s, their baking needs were rather basic. This limited the scope of exchanges with banks and the propensity for relationships. In the eyes of young consumers, their exchanges with banks were described as “sterile”, due to their purely transactional purpose and character. Young consumers acknowledged that they did not represent the most lucrative customer segment for banks, because of their limited financial resources and insufficient maturity for complex financial products. Participants argued that banks directed their most of their marketing efforts to the population above 30 years of age, with stable jobs, families and interests in long-term savings, mortgages and loans. In this sense, young consumers did not need relationships with banks, as they did not have such financial needs. Examples of these sentiments can be found in Table 46.

However, they recognized that they would be more prompted to develop bonds with banks as they move further along in life. It was argued that banks failed to communicate to the young customer segment that they anticipate them to become more prominent bank customers in the future. From the perspective of participants, banks did not attempt to entice young customers in the prospect of building relationships for the future. Marketing messages of banks focused predominantly on the benefits of instant transactional services, failing to make propositions for gradual development of more complex bonds and exchanges that would benefit customers in the long term.

It was argued by participants that the reason behind weak rapport with banks, was young consumers’ underdeveloped sense for financial services and unnurtured long-term outlook towards personal finances. Participants argued that college students in Western countries were brought up to comprehend the importance of good long-term relations with banks from early stages of their use of banking services. On the contrary, participants argued that the youth in the SEE region begins to think more consciously about banking only after they enter the job market and start families. In the meantime, years of using banking services pass prompts about the importance of relations with banks, that would foster young bank customers to think about banks as financial partners. Table 46 contains example illustrating this rationale.

Table 46: Summary of themes constructing the challenge of establishing relationships with the segment of young bank customers.

Themes	*Sample quotes*
Limited scope of engagement with banking products for young customer sector posed as an obstacle to relationship-building	*"I don't know, because I'm a little bit young and I didn't get like special deals with the bank like taking credits or doing stuff like that, so I cannot talk about that world. I just used banks for debit and little credit cards, so simple things, like, not in big terms."* (P7: female, 21, Kosovo) *"That's the problem with the banks, because, you know, what we are doing now: we're just waiting for money to come to the account and then immediately empty it to the zero. You know, like, the problem with a bank, if they don't try to engage you in some way, it's very sterile."* (P30: male, 23, Serbia) *"On the other hand, I think that at our age, and especially that we are students now, the necessity and entire concept of banks is not something that we need or we use. Further, when we start, you know, working and we have a deposit, or a credit card, or a loan, or something like this maybe we will see the role of the bank as a very import one in our lives."* (P1: female, 23, Romania)
Young customers do not present lucrative market for banks, which propose relationships only to higher-value clients	*"We're students, nobody gives…you know…about us. I have like thousand euros in other two months to spend it on clothing and food while I'm studying for the university, so… A thousand euros for them is nothing when they have transactions of, you know, millions, and they would much rather keep those customers, you know, and interact with those than with me basically."* (P11: female, 21, Romania)
Young customers are not raised to anticipate relationships with banks in the future	*"Like, in the States it's very important for you to have credit history for anything that you do, it's important. And they expect you to know this, to have this by the time you're 20 years old. In Kosovo the only reason I have a bank account is because I needed my job to put my money somehow, so I just opened it up. It's not like these companies are attracting us in any way and they really could. There are many ways that I think that they could, it's just that they have not."* (P27: female, 23, Kosovo)

This finding contains interesting implications for the role of social media in relationships. It was argued that value of social media in this case would be in providing educational content to young customers, as a way to prompt greater engagement with banking products. Social media was seen as a suitable marketing channel to tackle this gap in marketing of banking products to young consumers. It could be used to educate young population of bank clients about the functionalities of banking products and services, and about long-term planning of personal finances. It was suggested that this could serve to entice the development of broader relations with banks.

6.5.3 Perceived effect of differences in banking approaches by banks at home and abroad on relationships

From the viewpoint of consumers interviewed in this study, banks in the SEE region lack customer-oriented approach which would encourage consumers to think of interactions with banks in terms of relationships. Participants expressed strong beliefs that banking in Western countries was more customer-centric and oriented towards anticipating customer needs rather than catering only to the current needs of customers.

Examples attesting to such sentiments were based on participants' personal experiences with banks in countries such as Austria, UK and Germany. In one example, a participant described the experience of being introduced to the online banking services with a bank in Austria, with bank employee guiding his first log into the e-banking system and assisting him throughout the process. In contrast, the same participant explained that when inquiring for the same online banking service with a bank in Kosovo, he received only the basic tools for enabling the service without a demonstration. In the eyes of this customer, when comparing the services for the identical banking product, the bank in Austria provided a truly memorable experience, would entices the desire of forming a deeper relationship with the bank.

Participants criticized banks in the SEE for being product-centric and focused only on transactions. Domestic banks were criticized for advertising customer-centricity, but failing to deliver on this promise in reality. Their attempts at improving the standard of banking services were characterized as "improvised". Furthermore, local banks were criticized for their "myopic" approach to the young generation of customers. They missed the opportunities to educate consumers about the broad spectrum of banking services, that could prompt relationships in the future. Examples illustrating the rationale on this topic are provided in Table 47.

Table 47: Summary of themes on the differences in approaches to banking relationships between banks at home and abroad.

Themes	*Sample quote*
Banks abroad are perceived to be more customer-centric and customer satisfaction-oriented than local banks	*"Actually, not the country, but the whole region. Because I've come across, you know, bank in Western Europe, I've come across banks in America, and that woman lady, the cashier, like, I would go there and she would make my day, you know? It's a different… it's the mentality."* (P11: female, 21, Romania) *"I think in general market for commercial banking in Serbia it's something that is highly, highly improvised. It's everything fancy, nice, and nice clothes, and nice office, and nice buildings, but it's highly, highly improvised."* (P6: male, 23, Serbia)
Foreign banks anticipate client's future needs and this is why they are more prone to form relationships. Local banks are "myopic".	*"They are myopic, you know? Like, this is how you are capturing them, you know? You give them the student loan but you know they are going to give it back. In the meantime you are developing a relationship and he/she becomes your client afterwards."* (P30: male, 23, Serbia) *"I agree. And I would say that, for example, today I'm a customer and a student, tomorrow morning I snap up my fingers, I create a company. So why not have access to all the information?"* (P9: male, 22, Greece)

These findings correspond to the insights discussed earlier in this chapter about the belief that in comparison to the organizations abroad, local banks did not possess the competency or the the right mentality for running social media. Considering that consumers viewed their local banks as under-performing in marketing domain, this can explain their perceptions that social media advancements by local banks would not render high expectations either.

6.5.4 How consumers describe ideal relationships with banks

Upon examining the complex web of concepts that construct interactions with banks it is important to address the questions of how consumers envision the ideal relationship with banks and what aspects of exchanges could be improved.

Participants identified several aspects of exchanges that could be enhanced to provide better experiences for consumers. Firstly, participants argued that in order to lay out the foundations for possible future relationships, banks should communicate to customers the values of long-term bonds with financial service providers. In the eyes of consumers, banks often focus their marketing messages too much on the products, missing to promote that banking is also a process of "mutual collaboration" and partnership. The following excerpt from focus group discussion illustrates this point:

"I believe that good relationship with a bank that I have it can be explained as not being seen not only as a product, only a machine of making money for bank. So basically a good relationship with a bank can be translated to a relationship of mutual collaboration."

(P1: female, 23, Romania)

This is a crucial point for implanting the idea that transactions with banks could develop into valuable relationships. Therefore, educating young consumers about the value of long-term bonds with preferred financial service providers was considered an important requirement for the development of the concept of relationships in the future.

Secondly, participants highlighted that in order to instill confidence in utilizing complex and long-term services with banks, the problem with information asymmetry should be addressed. Participants argued for greater transparency in dealings with banks and for more information about how to develop a sound financial history with the banks in the long run. It was argued that such improvements could contribute to a greater confidence in banks and a reduced sense of distrust in the banking system. By tackling the problems of trust and confidence, consumers argued bank would present more appealing prospects for relational bonds.

Furthermore, participants also noted that in order to foster the idea of relationships, banks should demonstrate greater dedication in promoting and delivering consumer-centric experiences. This entails demonstrating greater sensitivity to customer needs, greater flexibility and personalization of products and services to the needs of niche customer segments. As suggested in the following example:

"Listen to the people, see what they need, see how their needs can be profitable and act accordingly."

(P20: male, 34, Greece)

In the light of this theme participants also emphasized that banks would have greater propensity for enticing relationships with consumers by presenting their customer-centricity through activities benefiting the community. Consumers argued that by promoting social responsibility and contributions to the society banks could help alleviate the negative perceptions many consumers have about them. This could arguably help consumers see banks as more attractive for relationships. The following example illustrates this view:

"Social responsibility – to give money to the society for good purposes. And to advertise it actually. I know that they're always going to have a large pool of money and what they're going to give it's just going to be just a really, really small part. But again, they're giving something, and this would make me feel less negative about them."

(P21: female, 32, Greece)

Finally, participants highlighted the need of educating young population of customers about the retail financial products and services for the purpose of engaging consumers with the thoughts about banking and for developing the sense for relations with the banks in the future. Consumers in this study argued that their initial disinterest in the banking services originated essentially from the insufficient understanding of banking and lack of appreciation for the benefits of long-term relationships with banks. Hence, emphasis on educating young consumers about the value of banking relations was perceived as pivotal for preparing consumers for relationships with banks in the future.

These insights contain interesting implications for the use of social media to support interactions with banks. The following section addresses in detail the areas where social media would benefit interactions with banks the most.

6.6 Areas in bank marketing with greatest potential for deriving value from social media

In-depth discussions with bank customers revealed important premises about the areas of bank marketing where social media could play an important role.

In it important to begin this discussion by emphasizing that, from the perspectives of consumers, social media alone were not perceived to have the potency to serve as the foundations for relationships with banks. Firstly, consumers argued that prerequisites for the relationships with banks included a history of long-lasting exchanges, based on the trust and partnership. Only upon experiencing satisfactory services in the long run and a deep trust in their financial service provider, consumers argued to be able to consider their exchanges with banks as relationships. In that sense, presence in social media alone would provide little value to consumers if the core banking services were not delivered to satisfaction. Moreover, consumers argued that the act of following a bank in social media would not automatically denote the loyalty to the bank, since loyalty was a more complex concept.

However, consumers identified several areas where social media could play a role in relationship development with banks. Firstly, it was identified that consistent exposure to the content in social media provides an opportunity for consumers experience a sense of connectedness to the organization. The following example illustrates this argument:

"So social networks, as I said, can be used also very much for different information, so that they make you feel closer to the bank. Even now I'm in different country, by having by having bank in Facebook or in YouTube would enable me to be much more closer to what happens with the bank, what products they are bringing us, is there a new offer that concerns me."

(P5: male, 22, Kosovo)

It was noted that consistent exposure to banking content i social media can be transformed into the sense of greater affiliation with the bank over time. However, the type of content featured by social media plays a big role in the propensity to foster the sense of relationships. Consumers highlighted that purely advertorial content on social media would not achieve this effect. Instead, consumers argued that social media should be used by banks to deliver both informative and engaging content for the purposes of maintaining the interest in the online interactions with banks.

Consumers emphasized that banks should maximize the use of social media to educate consumers about banking services and personal financial management. From the viewpoint of participants, social media have the ideal format for delivering educational material to followers and to help them engage in the conversation and about financial services. Participants argued that this would help customers expand their understanding of the banking products, as well as help reduce the uncertainty in using financial services. As a result, customers would feel better equipped to expand their use of banking across wider spectrum of services and be more ready to build long-term relationships with their banking organizations. As explained in this example:

"So therefore I think it's smart to engage young people and create some kind of customer engagement and some pre-loyalty."

(P28: male, 24, Kosovo)

Furthermore, consumers highlighted that in order to appeal to the younger generation of customers who are community-conscious and skeptical towards banks, social media could be utilized to publicized banks' social activities to attract consumer attention. The importance of shifting banks' marketing orientation from product-centric to community-centric for the purposes of creating an appeal for developing relationships was highlighted in this example:

"Also, it's the beginning of CSR era, so the only focus of the company should not be anymore only selling and by any means, and however it can be possible, only selling approach and attack people with announcements and arrows with our products. It's just that they should realize that we need also something more than simply products."

(P1: female, 23, Romania)

Social media were identified as an ideal medium to promote socially responsible initiatives of banks to consumers. This would provide customers with the content that they can relate to and can feel affiliated to more easily, than the content of purely advertorial character. This was argued to help consumers think about the banks as active and contributing members of society, which could be invaluable in prompting customers to think about banks as institutions worthy of relationships.

In order to resonate with the interests of younger consumer segment, participants suggested that banks should incorporate also an entertaining and engaging content in social media. Participants suggested that banks should incorporate strategies used by other businesses to entice consumers to engage with social media and to create appeal for following banks in the Web 2.0 channels. The following examples illustrate these arguments:

"I would like to see like a very interactive environment when I go online. Because when I go in the bank it's so boring. I want to see, you know, something amusing."

(P11: female, 21, Romania)

"They can create different tools to make it attractive especially for students. They can make something like very short quizzes, so that students go there, find it attractive, they find it nice to become a fan of a bank."

(P5: male, 22, Kosovo)

Additionally, participants argued that the engagement with consumers in social media is also crucial for establishing the sense of relationship in the online setting. Consumers highlighted that the role of social media is not only to host the content shared with the followers, but should to help banks and clients conduct interactive communication. Social media should be used by banks to address customer inquiries, questions and concerns. By establishing responsiveness to customers in the Web 2.0 channels, banks can create the basis for rapport. Banks should anticipate this form of communication with young consumers and be ready to accommodate their needs and requests in the interactive online setting.

Chapter 7: Discussion and Conclusions

7.1 Overview of this chapter

The following chapter focuses on the discussion and conclusions drawn from the findings from the three studies conducted in this research. The purpose of this chapter is to discuss what takeaways can be drawn from the observation study, the case studies and the focus groups combined, and what conclusions emerge.

This chapter begins by discussing the answers to the research questions that have emerged as a result of the research presented in this thesis. The discussion is organized to provide summary of the findings and the answers to the research questions identified earlier in the text. The discussion also attempts to highlight the similarities and differences in banks' versus customers' perspectives about the role of social media in relationships. Furthermore, this chapter also reflects on the findings and compares them to the literature. The discussion also attempts to abstract the new theoretical propositions that emerge from the findings and to propose how the current knowledge about RM and social media in banking is extended by this research.

The chapter concludes with an overview of the main conclusions draw from this research and the reflection on the main outtakes from this thesis. Contributions to theory, methodology and practical managerial insights are outlined and demonstrate the value of this research to the theory and practice.

7.2 Discussion about findings

7.2.1 Answers to questions about the level social media adoption among banks in the SEE countries and banks' perspectives about the role of social media in RM

The period of 2012-2014, which was the focus of this research, was quite turbulent for many of the banks in the SEE region. The wave of mergers, acquisitions and foreclosures produced a "shrinking" trend in the market of retail banking, with reduced number of players and more concentrated power in the hands of the multinational banks. This has impacted the competitiveness of banks, as well as their outlooks on the stability of the retail banking sector in the region and the requirements in marketing. In parallel, social media adoption rapidly expanded among the banks in the region, which could possibly signal the importance of the innovative online marketing approaches in the times when the retail banking market is undergoing changes.

By 2014, the adoption of social media among banks in the SEE countries grew to 78%, from 52% measured in 2012. Majority of banks active in social media adopted one-channel form of Web 2.0 presence (28%), while the remaining adopters had relatively even distribution of presence across two, three, and four channels (13-19% at each level). The highest rate of Web 2.0 adoption was observed among banks in Albania, where 94% had social media presence by 2014 and where multi-channel presence across various Web 2.0 platforms was widespread. Similarly, banks in Bulgaria, Romania and Serbia also displayed high levels of social media uptake, at 88%, 83% and 73% respectively. Coincidentally, banking industries in these markets also enjoyed high concentration of players, with 25-30 banks competing for retail customers in each country. Conversely, in the markets with lower competition, such as FYROM, and with with turbulent restructuring trends, such as Greece, the levels of social media adoption were much lower in comparison, at 67% and 45%.

Facebook, YouTube and Twitter were the most popular social media sites adopted by the banks in the SEE region, with overall adoption rates of 62%, 49% and 38% respectively. The adoption of LinkedIn, Google Plus, blogs and other Web 2.0 site was not as widespread, although banks in the countries with higher competition, such as Bulgaria, Romania and Serbia, were striving for more expansion in these channels as opposed to banks in the rest of the region. The combination of Facebook, YouTube and Twitter was the most widespread form of social media presence on the multi-channel level. It is interesting to note that Twitter was only the third most popular Web 2.0 platform among banks in the SEE countries, as greater preference was given to Facebook and YouTube. Possible explanation for this could be that Twitter was possibly perceived as more labor-intensive type of channel than other social media platforms, due to the character of interactions it supports, which demands the effort to update the feeds by the hour, while Facebook and YouTube are less update-intense channels.

In terms of the typology of banks and the levels of social media activity, it was observed that banks affiliated with European multinational banking groups were among the most active in the Web 2.0. European brands such as Raiffeisen Bank and OTP displayed consistently high levels of social media adoption across their affiliates in the SEE region. European banks were also the leaders in terms of the volumes of followers attracted in social media, especially on Twitter and YouTube. They were closely followed by the SEE-origin banks, where the affiliates of Greek brands such as Eurobank, Alpha and NBG were the most Web 2.0-active. Conversely, domestic banks and banks belonging to the global banking groups displayed significantly lower levels of social media adoption. It is also important to note that in terms of the followers attracted, there were large discrepancies among what constituted high follower rate in each of the countries in the sample. While top Web 2.0-active banks in Romania attracted Facebook following ranging from 200,000 to 300,000 followers, banks in FYROM were operating Facebook pages with 3,000-7,000 followers. This discrepancy could be once again attributed to the intensity of competition among banks in each country.

Overall, retail banks in the SEE countries viewed social media as an important trend in bank marketing. The interviews with bank managers revealed that Web 2.0 was perceived as medium allowing them to remain relevant to the tech-savvy consumers and to explore new frontiers for developing competitive advantages in the online setting. Social media is primarily seen as the tool for creating modern image for the banking brands and as a medium that facilitates communications with remote customers.

That being said, social media is considered to be an interesting and promising addition to the marketing strategies for the retail segment, but is still regarded by banks as a peripheral and supplementary marketing activity, rather than at the core of their marketing strategies. Banks are cautious about the risks that social media brings, in the form of safety and security issues of bank-client interactions in the Web 2.0 setting, as well as the challenges of aligning banks' traditional serious and formal image with the more casual image of social media.

Banks appear to be eager to explore and experiment with marketing in social media, as long as there is a steady evidence of consumer demand for such format of exchanges with the banks. Bank managers perceive that the population of “young” bank customers to be the most adequate segment for targeting via social media marketing initiatives, as this population is already very active in the Web 2.0 channels. However, the level of consumer interest in banks’ social media endeavors is perceived to vary in each country.

Even though the SEE banking industry as a whole demonstrates a strong movement towards a widespread social media adoption, the levels of uptake are not universal and vary in each country. It could be suggested that the importance of social media is highly subjective to the different trends in each country of the region. In other words, the micro-trends in the banking industry in each country reveal important insights about why some banks choose to abstain from social media, why some banks adopt social media strategies only partially, and why others attempt to fuse social media with their RM initiatives.

Several emerging theorizations are proposed for the discussion. Firstly, it can be suggested that the importance of social media is more pronounced in the markets with high levels of competition between banks. Such markets are characterized by high density of players in the industry and a wide offering of banking services across multitude of brands and bank types. An example of such market could be retail banking in Romania, Bulgaria and Serbia, where the markets are saturated with the presence of 25-30 retail banks in each country. Such markets displayed some of the most advanced levels of social media adoption at about 73-88%, whereby multi-channel social media strategies were adopted by about 56% of the banks. In such markets social media is regarded as an opportunity for differentiation and innovation, capable of attracting new customers and engaging the existing ones in a new manner online. Social media is perceived to play an important role for supporting brand awareness among online audiences, for reaching out to the existing customers online and for supporting bank’s relevance in the online community.

In such context, social media is perceived to be also highly relevant to the RM approach. The evidence from the case study of Bank C (which illustrates the example of a bank in Romania operating in a dense, competitive and Web 2.0-forward market) suggests that social media could play an important role in supporting the RM strategy in the online setting, as it allows banks to connect to customers even when they opt to use remote banking services and have minimal real-life social interactions with banks. Thus, this extends the theory about the possibility of bank-customer relations in the online setting, as it proposes that social media could play the role of an enabler for RM in the digital context.

Secondly, it can be suggested that the importance of social media is less pronounced in the markets with lower intensity of competition. Banking industry in FYROM is one example of such market. This assumption is supported by the evidence that banks in FYROM have one of the highest levels of non-adoption of social media in the region at 33%, as well as some of the least advanced and diverse forms of social media presence, focusing only on one or two social media channels (40% and 27% respectively). The case study of Bank B illustrating the example of a bank which abstained from the adoption of social media due to the perceived low interest in social media marketing in the banking industry in the country. This case illustrated how the importance of social media diminishes in the markets where the competition between banks for the mass consumer segment is less intense and where retail banking is regarded as a secondary interest for the banks, due to its low propensity for high returns. This case also illustrated the type of organizational culture observed in literature; as highlighted by Lahteenmaki and Narri (2013), "*in retail banking the organisational culture is considered to be relatively formal, inflexible and risk-averse and creating strong resistance to change*" (p. 338). In this context, the role of social media is bank marketing is perceived to be rather small, and is regarded as trendy, but not as essential for marketing.

Thirdly, it can be theorized that the role of social media is important but not detrimental for RM in the retail banking markets characterized with high volatility and uncertainty. In such context social media plays a supportive role to the RM, and provides banks with an additional outlet for publicizing marketing messages online. Social media is regarded as an opportunity to amplify the reach of marketing efforts online, but is not considered as a solution to the RM per se. Traditional offline banking channels and traditional media still play the central role in the development and nurturing of relationships with banks and their clients, and they are perceived to have greater potency to instill trust and credibility in banks than Web 2.0. In support to this theoretical proposition is the case of Bank A and its managers' observations about the Web 2.0 adoption among banks in Greece. Greek banking industry is an example of a volatile banking market, where the progress in the adoption of social media in banking was hindered by the radical transformations in the composition of the market, and the need to reinstate consumer trust in banks by using more traditional and familiar mainstream marketing channels. In this context, social media is considered neither pivotal nor obsolete for the RM approach, but plays a supportive role.

There is a support for such theorization from the literature. In their paper on the loss of trust in large banks, Hurley et al (2014) acknowledged the difficulties that banks are facing in reinstating consumer trust and stressed that restoration of trust and relationships would require more that just a focus on one particular type of marketing or marketing communication channel. As suggested by Hurley et al (2014): "*Restoring and sustaining trust in major global banks requires an integrated and multifaceted approach that matches the scope and complexity of the problem. More regulation, more staff in compliance functions and clever advertising will not make these institutions more authentically trustworthy. Building a high-integrity trust ecosystem among customer, employees, suppliers, investors, and regulators requires the deep embedding of core elements of trustworthiness into the social and operating processes of the bank*" (p. 361).

Social media marketing in banking will continue to evolve and the role of Web 2.0 marketing is likely to become more prominent in the future. As mentioned earlier, social media is still a relatively fresh concept to the banks in the SEE countries, as the trend of establishing presence in the Web 2.0 channels took a momentum only in the past two or three years. Many banks in the region are still experimenting with a limited presence in social media and are learning how to operate this sphere of marketing, as well as how to align with their master marketing programs. Managers could not specify the extents to which social media could ameliorate relationships with clients in the future. However, they did share a common belief that if Web 2.0-powered RM initiatives fail to resonate with clients, this could negatively impact the existing relationships between banks and customers. Therefore, caution was perceived necessary when introducing social media to the RM programs, until the role of social media in crystallized.

This theoretical proposition can be supported with the insights from the research by Campbell et al (2014), who suggested that social media adoption should be implemented with caution by companies, because majority of consumers still perceive social media as their "*personal spaces to interact with friends*" rather than as a purely marketing medium. Hence, the authors suggested that social media adoption should be executed in a manner that provides "*optimal balance between traditional and emerging media types*" until the role and importance of social media for customers is more clarified (p. 447).

It can be postulated that as the adoption of social media becomes more widespread and as banks gain greater experience with Web 2.0 marketing, the role of Web 2.0 would become more prominent in mediating relationships with clients. In order to take a full advantage of the opportunities that social media present, banks will need to learn what works for them in social media (i.e. what type of content, what type of targeting, what budgets and what returns). This will help organizations determine to what extent social media can contribute to their RM efforts in different contextual settings.

7.2.2 Answers to questions about the role of social media in RM from the perspective of customers

It was interesting to explore how bank customers expressed their reactions, experiences, concerns and hopes in terms of the role of social media in relations with banks. Although banks theorized that the population of Gen Y or so-called "young" consumers would be the most receptive to banks' Web 2.0 initiatives, the reality in the eyes of customers was slightly different.

One of the interesting findings of this research is that, from the perspective of "young" bank customers, banks' presence in social media and customer engagement with these pages did not automatically mean that relationships with banks were mediated by Web 2.0. Those who followed retail financial institutions on Web 2.0 channels, did this mostly out of curiosity and interest in financial news and trends. For them, social media played the role of convenience in obtaining information. This motive was observed in similar studies as well, whereby consumer motivation to interact with companies in social media was identified to be based on the desire for information, convenience and entertainment (Campbell et al, 2014).

While social media offered the means to facilitate interactions with banks in the digital setting, it was not perceived to have the power to contain relationship between a client and a bank. In other words, the act of following banks in social media did not automatically stand for a relationship or loyalty to a bank per se. Similar notion was observed by Croft (2013), who noted that: "*In consumer marketing, though, many of us used the "like" button to express a preference for a brand, although in some cases, this action expressed aspirational branding rather than consumption decisions*" (p. 553).

From the perspective of "young" bank customers the concept of relationship with banks was complicated. Long-term usage of banking services did not automatically denote loyalty to a particular bank, it merely meant that the customer had not encountered problems with that bank and did not experience the need to change the relationship status with the bank. The effects of financial crisis also influenced the way that bank customers depicted relations with banks, with uncertainty in banking overshadowing in great deal consumer reasoning about the nature of business with banks. This was expected, as the literature highlighted that "*in reaction to the financial crisis, many individuals have lost some measure of confidence in their ability to deal with financial matters even though the extent of their objective knowledge remained unchanged*" (Shim et al, 2013, p. 32). Thus, consumers were questioning all aspects of banking, from the need for opening accounts with banks to the notion of relationship with banks.

Experiences with banking services influenced the perceptions about the propensity for relationships with banks. Participants with negative experiences with banking services were less inclined to consider relationships with banks as possible, as opposed to participants who didn't experience hardships in exchanges with banks. This was supported by the insights from the literature, which highlighted that: "*Beyond theory, there is empirical evidence that trust in banking is challenged and is now at an all-time low" and that "banking is currently one of the least-trusted industries*" (Hurley et al, 2014, p. 349). Moreover, initiating a contract with a bank did not necessarily mean that there was a sense of relationship with that bank, and neither did the prolonged usage of the services of that bank. In that sense, relationships with banks in the eyes of young bank customers were a fluid concept.

Gen Y customers admitted to having difficulties to pinpoint what exactly the concept of a bank relationship meant for them. They agreed that the satisfaction with services and pleasant interactions with bank employees were contributing to the establishment of a sense of relationship with a bank. Similar propositions were also found in Brun et al (2014), whereby online banking customers attested that the most important consequences of e-relationships with banks are "*customer satisfaction*" and "*avoiding customers switching banks*", while one of the key influencers of online relationships was "*efficiency for customers*" (p. 583). Fandos Roig et al (2013) also suggested that functional benefits are the most determining factors of loyalty in the financial sector (such as good service and suitable quality level), alongside affective elements that shape relationships (such as interactions with bank employees).

However, customers in this thesis also noted that they expected more from the banks in order to truly feel as they were a part of a meaningful partnership. It was difficult to identify precisely where the concept of relationship with a bank began and stopped in the minds of Gen Y customers, and what customer expectations bank missed to address in order to instill this sense of relations with their young clients. One of the prominent arguments shared by customers was a strong belief that banks in the SEE countries failed to communicate the benefits of long-term partnerships to young consumers. Banks did not attempt to entice young customers in the prospect of building mutual relationships for the future. Banks were criticized for focusing too much on the promotion of products and services, while the message of relationship was perceived to be missing from marketing campaigns targeting young population. Hence, young customers were unsure about what to expect from the relationships with banks.

Insights from Brun et al (2014) also suggested that ambiguity in online relationships with banks is an issue, and that consumers demand "*visible*" investments on behalf of banks in order to make their efforts of communicating the notion of relationships with clients clear and understandable for consumers, without the "*sales pressure*". Lahteenmaki and Natti (2013) also resonated with the criticism about overly pushy nature of marketing in the banking sector, stating that "*it seems that in the present retail-banking business, the customer is a target of marketing activities, not the origin of plans for and maintenance of the service experience*" and that "*bank services are to a very great extent provider oriented*" (p. 335), which consequently does not inspire in consumers the notion to think of banks in terms of partners in a relationship. According to Lahteenmaki and Natti (2013), "*it is evident that banking services are often presented as if they were goods rather than services*", and consequently, "*the bank is not capable of creating a constant, seamless interaction with its customers to co-create value-in-use with them*" (p. 341).

Moreover, from the perspective of customers, banks in the SEE countries were perceived to lack the customer-oriented approach, which would encourage consumers to think of exchanges with banks in terms of relationships. In contrast, banks in other European countries were perceived as more customer-centric. They taught their young customers to anticipate increased reliance on partnerships with banks as they grew older and their lives progress. From the viewpoint of participants of this study, this was missing in the marketing messages of the banks in the SEE. The concept of relationships was alienated from the young population of clients. Such critical outlook on relationships with banks is not surprising. As predicted by Hedley et al (2006): "*By 2015, better-informed, more discerning customers will redefine the rules of the game by demanding greater advocacy and control in their banking relationships*" (p. 53).

Interestingly, these views also over-spilled on how customers evaluated social media initiatives of banks' in other European countries versus banks at home. The social media pages of banks abroad were perceived as more progressive, engaging and customer-centric than the advertorial-character pages of the banks from the SEE countries. In the eyes of customers, this communicated to them that the SEE banks did not desire relationships with the younger population of clients.

Having said that, although the concept of relationships was vague for young consumers and although their perceived that social media is not the means to an end is establishing relationships with banks, they agreed that Web 2.0 could play an important role of relationship-enabler. Several theorizations emerged.

Firstly, by following banks in social media, being exposed to banking content and engaging with such content, young consumers could develop a greater sense of affiliation with their banks over time. The propensity for this was already observed by Gen Y customers in interactions with other types of companies in social media (Campbell et al, 2014). Greater engagement in social media with companies resulted in a greater sense of affiliation to these companies over time, and hence produced greater likelihood that a sense of relationship would develop. In that sense, social media played a role of a nurturer of "pre-loyalty" and "pre-relationship" to the organization. From the viewpoint of young bank customers, this notion could extend to banks as well.

Secondly, it was proposed that the content was an important condition in the process of nurturing the sense of relationship with a bank in online setting. Consumers emphasized that banks should maximize the use of social media to educate consumers about banking services and personal financial management. Young bank customers saw the value in the content clearly targets their socio-demographic group, such as information on student cards, financial offers and programs for young people, affiliate programs that offer benefits to young professionals etc. By using social media to share with consumers educational and informative content (e.g. how to use online banking, how to apply for a credit card, how to build good credit history etc), banks could help their young bank customers become more articulate in navigating the field of financial services. Customers would feel more confident in their ability to understand and use financial services, which would further lay out the foundations for more complex exchanges with banks in the future, and subsequently, a greater likelihood for relationships to form.

This finding is in line with the theoretical propositions by Campbell et al (2014), who suggested that "*marketers tailor the content of their social media marketing in line with desired outcomes*" (p. 445). The insights from their research suggest that in order to stimulate brand engagement and word-of-mouth in social media, content should be created with the aim to satisfy "information motivation", in combination with a dose of entertaining content targeting younger consumer segment (Blankson et al, 2012; Campbell et al, 2014; Carlsson Hauff et al 2014; Chau and Ngai, 2010; Park and Kim, 2014; Peltier et al, 2013; Tam, 2007). As study by Campbell et al (2014) suggested: "*We find that those who are most engaged with marketing on social networks have a high information motivation, and therefore content of an informative nature is most likely to be effective. We find that these consumers also have relatively high entertainment motivations. The combination of informative and entertaining messaging and creative are important considerations in developing social network marketing strategies*" (p. 447). These criteria are highlighted as crucial in this thesis as well in order to resonate with the young population of bank customers.

Moreover, Hansen et al (2006) highlighted that in order to minimise the possible adverse effects of money primers in marketing messages (i.e. thoughts of money triggered by marketing causing distress to some consumers and prompting a sense of weakness rather than confidence), emphasis should be placed on the content and format that highlights the desirability of services. Hence, informative and educative content combined with entertaining and engaging elements is proposed as ideal for social media marketing for banking targeting Gen Y population of consumers.

In addition, by using social media to share educational and informative content, banks could help alleviate young customers' fear of banking and distrust towards financial institutions. Greater transparency in how financial services work could help tackle the problem of information asymmetry and could help instill greater confidence in banks and help reduce a sense of distrust in the banking system. This finding is not at all surprising. As highlighted by Hedley et al (2006): "*What's more, in 2015, bank customers will demand relationships with greater transparency - there will be no tolerance for "fine print" with vague terms and conditions*" (p. 54).

The importance of alleviating consumer uncertainty in banking created by information asymmetry was also stressed by Letkiewicz and Fox (2014), Harrison (2003) and Tam (2007). As stated by Letkiewicz and fox (2014): "*The general argument is: if consumers are given full information, they will become financially literate and thus able to understand the complex financial marketplace, make sound decisions, and prosper*" (p. 275). Additionally, Harrison (2003) suggested that "*internal sources of information and external sources of a personal nature [recommendations, word-of-mouth] are the most appropriate in situations where experience qualities dominate and when objective standards by which to evaluate the product decrease*", such as the case of financial services (Harrison, 2003, p. 7). By tackling the problems of trust and confidence, bank would present more appealing prospects for relational bonds, as highlighted by the participants of this study. Shim et al (2013) offer support to this theorization, highlighting in their paper an argument that customer education about financial services is an important determinant of customer trust and loyalty to banks, and that trust in financial service providers can be improved directly by placing an emphasis on communication with clients and education. Hurley et al (2014) emphasized that banks need to profoundly change and wholeheartedly commit to instating trust with consumers, and that marketing these efforts needs to be done across all channels and levels of communications, in order to truly resonate with consumers.

Furthermore, in order to utilize social media as the relationship-enabler and relationship nurturer, it is important for banks to set the right tone for their marketing initiatives in the Web 2.0. The more banks appeared "human" and approachable in the online setting, the more likely that consumers would be attracted to engage with banks online and to establish the foundations for meaningful partnerships. This theorization is in line with Wang (2011) and Carlsson Hauff et al (2014), who stressed the importance of emphasizing the "experiential elements" and affective side of banking, built on human experiences, storytelling and emotional involvement, that helps consumers' process of thinking about banking and making banking decisions in uncertain or volatile environment. Mattila et al (2010) highlighted that consumers often used words such as "*distant from me*", "*opportunistic*", and "*impersonal*" to describe their financial service providers (p. 127), which overlaps with the findings described in this thesis and highlights the need to channel bank marketing towards image overhaul. With that in mind, banks should leverage the power of social media to build the image of approachable, people-centric organizations, in order to overcome consumer scepticism and reluctance to engage in financial service consumption (Carlsson Hauff et al, 2014). In other words, when banking services and products are perceived as uninteresting to clients, the narrative of marketing messages and the format of communication should take the central stage and attempt to evoke the interest from consumers (Carlsson Hauff et al, 2014).

Banks were encouraged to use social media to endorse also the non-commercial side of banking. Participants of this research argued that, while it is necessary for banks to preserve their serious and formal image, social media should be used to demonstrate the "human" side of banking. As young bank customers argued, relationships are formed with people and communities, not with faceless institutions. Therefore, in the aim to appear more inviting and appealing for consumers, banks should utilize social media to promote their community-centric activities and efforts to contribute to the society. Participants of this study argued that banks are not promoting sufficiently their corporate social responsibility (CSR) programs. The awareness of such programs could help consumers think about banks as the people - people with whom relationships are worthy of establishing and nurturing (Mattila et al, 2010; Perez and Rodrigues del Bosque, 2014). The consumer interest in banks' CSR-related content in social media is not surprising, given the argument that financial crisis has increased the expectations of consumers and their demands to see the evidence of integrity from the banks (Paulin et al, 2014; Perez and Rodrigues del Bosque, 2014). Hence, this could be an important step in building a terrain for relationships with consumers in the online setting.

Similar observation was also noted by Hurley et al (2014): "*The large banks have philanthropic and foundations for charity work but they are typically disconnected from the firm's business model and often from the core culture as well*" (p. 360). As also noted by Fandos Roig et al (2013), "*it is necessary for any financial institution to maintain a good social reputation*" (p. 362). Shim et al (2013) further support this proposition by arguing that "*given the current economic and financial-market climate, banks and financial institutions wishing to win back the trust of their customers should be encouraged to adopt socially responsible business philosophies and practices*" (p. 33). Theorization about the importance of CSR in bank-client relationships is also supported by the argument by Perez and Rodrigues del Bosque (2014), stating that "*in a world where customer confidence in the banking industry has been bruised over the last few years, searching for solutions to rebuild trust and maintain customer loyalty is a critical task not only for banking managers, but also for strategic management and marketing research*" (p. 227). CSR is also conceptually linked to relationship marketing in the study on retail banking by Singh and Agarwal (2013), which suggested that CSR orientation could impact client-bank relationships, especially in the case of banks with long-established history in the market. Chomvilailuk and Butcher (2014) did not discover positive relationship between bank CSR promotional activities and customer loyalty, but urged for further research that would examine this correlation on the population of "younger, more recent bank customers", who might experience different, more direct effects of CSR marketing on their loyalty to financial service providers.

Korschun and Du (2013) highlighted that brand communities in social media "*provide value largely because on the emotional, symbolic, and non-utilitarian aspects of relationships with participants and with the company*" (p. 1495). As highlighted by Paulin et al (2014): "*it is no longer a question of whether social media are the best form to engage Millennials in social causes, but rather it is incumbent on marketing researchers and practitioners to develop the most effective strategies for capturing the power of social media to foster desired supportive social behavior*" (p. 344). Following this premise, social media could play an important role of giving banks a "face" in the online setting, and something with which consumers can relate and bond (Paulin et al, 2014). This was considered as an important condition for relationship-building in banking in the digital setting.

Finally, while it was theorized that social media could play a role of relationship-enabler, certain boundaries were also proposed in the extent to which Web 2.0 technologies should intervene in consumers' dealings with banks. The importance of protecting customer's confidentiality is especially pronounced in the Web 2.0 setting, where the boundaries between the public and the private information are blurry. Concerns over the safety of the Web 2.0 setting were shared by both young bank customers in the focus groups and by bank managers in the case studies. Consumers confessed that learning to trust banks in the social media would be one of the main challenges, as trust in banks would not automatically extend to the trust in the their social media pages. As argued by Chau and Ngai (2010), trust is a rather complex concept in banking and is influenced by "*the bank's overall image and reputation, the customers' previous transactional experience with the bank, and a whole range of communications*" with clients (p. 52).

It is important to note that, in the eyes of consumers, banks and social media are not necessarily associated concepts. Bank's formal and serious image mismatches the image that young consumers have about social media, as the place for entertainment, fun and leisure. This mismatch of concepts could cause confusion about how social media relates to banking, and could bring into question the trust between the bank and the client, as well as the trust between the medium and the audience. Hence, for social media to play the enabling and supporting role in bank-client relationships, it is necessary to enforce transparency about how banking information in social media should be used and about the degrees of control that banks would exercise in their

Web 2.0-mediated interactions with customers. Similar theorization was proposed by Brun et al (2014), who stressed that "*a successful e-relationship is found to require a high level of involvement and commitment by the bank to customers and new technologies*" (p. 9).

To conclude, it is proposed that social media could play an important supportive and nurturing role in relationships in retail banking. Social media could provide added value to the exchanges between customers and banks, as long as the format of exchanges is interesting, engaging, useful and safe for customers. Moreover, the success of Web 2.0-powered RM initiatives would also rest on the degree of banks' responsiveness and preparedness to online interactions with clients. Consumers emphasized that following banks in social media would be worthy only if the banks use the interactive tools of the Web 2.0 platforms (e.g. comments, replies, re-tweets etc) to respond to consumer inquiries and collect customer feedback to improve offerings. Thus, if banks neglect to address clients who reach out to them via social media, the role of social media as relationship-supporter would diminish in the eyes of consumers.

Social media could be a valuable supportive mechanism for establishing online bonds between clients and banks. These bonds would serve as the grounds for establishing "pre-loyalty" and "pre-relationship" with banks. Although of limited strength, such online affiliation would to be still more valuable for consumers than no rapport at all, which is how young bank customers commonly described their contracts with banks.

7.3 Conclusions

7.3.1 Contributions to theory

It is necessary to conclude this thesis by providing an outlook on some of the key contributions proposed by this research. According to Corley and Gioia (2011), contribution to theory "*arises when theory reveals what we otherwise had not seen, known, or conceived*", or in other words it "*allows us to see profoundly, imaginatively, unconventionally into phenomena we thought we understood*" (p. 17). From this perspective, theoretical contribution is perceived to exist if the proposed theorizations display the qualities of originality and utility (Corley and Gioia, 2011).

The research presented in this thesis addresses the dimension of originality in several ways. By exploring the role of a contemporary phenomenon such as Web 2.0 or social media in the context of the RM in retail banking, research contributes to expanding the knowledge about the possibility for bank-client relationships in the digital setting. Literature offers little consensus about whether and how online marketing approaches can help ameliorate the sense of disconnect between banks and clients in the retail banking setting. While some authors argued that relationships are not transferable to the online setting (Kapoulas et al, 2004), others argued that the advancements of new technologies such as Web 2.0 promises to bridge the gap between banks and their disengaged consumers (Stone, 2009). The findings from this research advance the existing knowledge about the RM theory in the domain of financial services, and propose that social media could play an important role in supporting and nurturing relationships between banks and customers. Marketing via social media per se does not have the sufficient power to help consumers establish and build relationships with banks. However, social media could play a supportive role in enabling the affiliation between a bank and a client to be nourished through Web 2.0 exchanges.

By incorporating the perspectives of banks as well as bank customers, research contributes to reaching an understanding of the premises under which the implementation of social media is deemed fertile for initiating and supporting customer relations with banks. One of the contributions of this research is better understanding of the role that social media could play in ameliorating relationships with a younger population of bank customers belonging to the Gen Y socio-demographic group. As suggested by Corley and Gioia (2011, p.22), "*our theories should be problem driven - that is, in some fashion addressing a problem of direct, indirect, or long-linked relevance to practice*." Marketing banking services to Gen Y consumers is challenging, because this generation faces the burdens of financial uncertainty imposed by the recent economic crisis and distrusts banks. However, Gen Y consumers are Web 2.0-savvy and responsive to communications with companies via social media. The contribution of this research is in exploring whether social media presence of banks matters for Gen Y customers and what strategies banks could use to make the prospect of long-term partnership with banks appealing to this consumer segment. This research proposes that the presence of banks in social media is important for remaining relevant and competitive in the eyes of customers. The propensity for relationships with banks depends largely on the quality of real-life experiences with banking services, but social media could serve as a peripheral online support by providing the interactive tools and content which help consumers obtain answers to their banking questions and uncertainties. This theoretical proposition falls into what Corley and Gioia (2011) consider a "good theory": "*In a very practical sense, good theory helps identify what factors should be studied and how and why they are related. A high quality theory also states the conditions and boundaries of relationships*" (p. 18).

This provides arguments to the Web 2.0 applicability to the RM theory for financial service industry and complements the knowledge about the usefulness of Web 2.0 tools and channels for the RM approach. Research presented in this work offers the contribution of attempting to advance the RM theory in the context of contemporary online communications, but also from the reality of retail banking in the SEE countries. The originality of this research rests not only on the investigation of how the new technological phenomenon is situated in marketing, but also on the attempt to explore how less-researched markets accommodate and relate to new trends. Thus, this research contributes to initiating a discussion on the subject of tech-enabled marketing strategies in retail banking in the SEE region. It demonstrates how the race for technological advancements and competitiveness influences the adoption of Web 2.0 marketing technologies in banking, in the context of the region that has experienced some of the harshest burdens of the financial crisis.

Finally, it is important to stress that as the outcome of this research, several academic works were presented and published. These include one article published in a peer-reviewed academic journal and five papers presented and published at international marketing conferences. (Please refer to the footnote in the Section 3.7. in Chapter 3 for a full list of references to published works.)

7.3.2 Contributions to methodology

Apart from highlighting the theoretical contributions, it is also important to explain in what ways this research contributes to the knowledge about the methodology.

This research was designed and conducted using qualitative research methodology. As such, it provides value to researchers who wish to inquire about how qualitative methodology contributes to theory-building in the domain of RM and Web 2.0 marketing. By implementing qualitative methodology in this research, researcher was able to explore and investigate in depth a rather difficult and complex topic of bank-client relationships in retail banking and to arrive to original, illuminating and interesting findings. Qualitative approach allowed to tap into the mindsets of both bank managers and bunk customers, which proved invaluable for discovering underlying themes and constructs that shape the way the reality of banking is perceived by both sides of the relationship dyad.

Moreover, by employing a combination of various qualitative methods, this research demonstrated how multiple qualitative approaches can be used in marketing research to triangulate the findings and address the multifaceted reality. By incorporating case studies, focus groups and observation study, this research contributed to a better understanding of the kinds of insights that qualitative inquiry can produce. According to Hanson and Grimmer (2007), in the study analyzing the content of over 1,000 articles in academic marketing research journals published between 1993-2002, only 24.8% of research papers were dedicated to qualitative research and only 12% of all papers contained purely qualitative inquiry. This research contributes to the small, but growing pool of qualitative studies in marketing. Moreover, Hanson and Grimmer (2007) revealed that among analyzed qualitative studies, only 9.8% were conducted using the case study method, 5.5.% using focus groups and 4.9% using observations. Research presented in this thesis encompasses all three of these qualitative methods, and therefore contributes to the argument about the value of qualitative methods for unraveling new and complex marketing phenomena in under-researched contextual settings.

Finally, this research contributed to the publication of a rhetorical academic article on the value of qualitative research in marketing in the peer reviewed journal "Qualitative Market Research: An International Journal". (Please refer to the footnote in the Section 3.7. in Chapter 3 for a full reference to this paper.) This paper was acknowledged as the most downloaded paper for this journal in the 2012-2013 period, breaking the record of over 1,300 downloads in the span of six months.

7.3.3 Managerial implications

According to Corley and Gioia (2011, p. 17): "*To be deemed a contribution, theory must be useful or somehow have utility in its application, either for other organizational researcher or for practicing managers*". It is important to highlight in this section the practical managerial implications that have emerged from this research.

Firstly, this research postulates that social media could play an important role in bank marketing in the context where there is a high intensity of competition between banks in the market and when the market is highly volatile. Findings from this study suggest that social media will be especially attractive for banks seeking to improve their competitiveness in the market and to establish rapport with clients (e.g. new, small-size banks). This insights could be useful for marketing managers in the financial services industry who are trying to determine whether the adoption of social media and engagement with clients using Web 2.0 communication technologies is considered viable for their organizations and the market in which they operate. Furthermore, insights from this study suggest that banks striving to improve their online competitiveness should aim for a presence across multiple channels and platforms in social media. This research has discovered that in the markets where social media is already a well-recognized and widely adopted trend, the expansion of presence through multiple channels is important for establishing differentiation and meeting the ever-expanding interests of the online audiences.

This study has demonstrated that social media is important for establishing relevance to the rapidly growing online communities and the Web 2.0-savvy customers. Banks seeking to grow and nurture rapport with Gen Y consumers should consider social media as a strategy that could support their online marketing initiatives and bring them closer to the segment of young customers. Establishing "pre-loyalty" and "pre-relationship" with young bank clients by engaging with them in social media as their natural habitat is essential for forming partnerships with this customer segment, as these consumers grows older and as their needs for banking services intensify.

Several types of content were identified as especially valuable for initiating the sense of connection with Gen Y bank customers in the social media setting. For instance, content about bank's activities related to supporting social causes and contributions to the community is considered especially effective marketing strategy. Managers should explore how using social media to promote the non-commercial philanthropic side of banking could help in developing and nourishing relationships with customers. Furthermore, banks should explore the potential of the educational and informative content in social media in order to help grow present-day customers into eloquent users of financial services tomorrow. Managers should explore how the content that teaches consumers how to use banking services and manage personal finances could have an impact on the propensity for increasing the lifetime value of customers in the future.

Furthermore, this research revealed several suggestions the tactics managers could explore in order to engage with consumers in social media. These include:

(1) creating interactive and relevant content,
(2) encouraging clients to interact with bank via online social networks,
(3) encouraging customers to actively contribute ideas to enhance bank's offers for mutual benefit; and
(4) collaborating with online community to create awareness about social media programs.

These suggestions contain important insights for marketing practitioners, as they offer more pragmatic view on the possibilities of incorporating social media into RM strategies. For banks aspiring to embark on the voyage in Web 2.0, these tactics could be used as starting point in social media marketing.

Finally, insights from this research urge of the importance of creating safe format for interactions between banks and customers in social media channels. This includes establishing policies and protocols for protecting customers' personal financial data in social media interactions with banks, as well as ensuring transparency of communications with customers in the online setting.

Chapter 8: Limitations and Suggestions for Further Research

The following portion of the thesis identifies some of the limitations of the research. It is important to acknowledge these limitations in order to allow readers to make their own conclusions about the value of this research, as well as to discuss the opportunities for designing future research endeavors.

8.1 Limitations

The purpose of this research was to explore and understand the role of social media in RM and bank marketing from the stance of retail banking organizations as well as from the perspective of consumers of banking services. The work presented in this thesis is limited within the boundaries of this objective. In other words, this research does not address the questions how social media can be used to measure customer loyalty, trust, satisfaction or conversion from transactional use of banking services to long-term partnership with a bank. Research questions addressed in this research were more exploratory in nature. This research was conducted with the aim to gain a deeper understanding of the role of social media in RM in banking, rather than to evaluate the effectiveness of social media in achieving milestones in the bank-client relationships. Questions pertaining to these issues were outside of the scope of this research and its design did not accommodate the type of investigation that could address these inquiries. Instead, this research attempted to explore and provide an initial understanding on the possibilities of extending the RM approach in a contemporary Web 2.0 setting, based on the beliefs and the assumptions of the entities comprising the bonds in the banking – banks and consumers.

Furthermore, this study focused chiefly on the issues in RM and social media marketing pertaining to the retail banking sector in the SEE region. The limitations lie in the focus on the specific sector of financial services (commercial retail banking) and on the specific region in Europe. Research included only banks from 6 countries of the SEE region, and therefore contains limitations to the extent findings can be applied or replicated elsewhere.

Some limitations are also observed in the design of the studies comprising this research. To begin with, the observation study was limited to collecting and analyzing the data regarding the status of social media uptake and the rate of social media adoption among banks in the SEE region. It was outside of the primary scope of this research to investigate the dynamics of the exchanges occurring on the banks' pages in social media. Analysis of the content, comments, replies and semantic context of the exchanges taking place on the social media pages of banks was not feasible for this research, due to the limited resources and the lack of access to software tools for examining dynamic real-time Web 2.0 exchanges.

In terms of the case study research, one of the limitations of the design is that research was based on only three case studies. Although each case study proved to be valuable in its uniqueness, it is possible that the inclusion of a greater number and variety of banks could help expand the knowledge about RM and social media even further. Moreover, case studies comprised six interviews with bank managers. Literature on the case study methodology does not prescribe a specific number of interviews required for research. However, it could be argued that by including additional managers from different departments of banks or by interviewing front-desk bank employees, the knowledge built in case studies would be richer and more multi-dimensional. Interviews with the IT staff or marketing consultancy agencies which assisted banks with online marketing strategies would provide additional perspectives on the subject of social media. However, due to the restricted access to the banks which have agreed to participate in this research, the inclusion of additional population of interviewees was not possible. Future research endeavors could consider targeting specifically these groups of stakeholders for the purpose of advancing the theory.

Furthermore, banks included in the construct of case studies were not the highest performers in terms of the breadth of social media uptake and the volume of followers attracted. Other banks in the region displayed arguably more aggressive social media adoption strategies. The limitation of this research was that banks which participated in this research were selected based on their market shares and their volumes of business. There is a possibility that other banks who are leaders in social media uptake, or who represent the segment of small banks, or new banks in the market could have provided more comprehensive implications about the role and value of social media. Hence, future research could use these insights to pursue further investigation on social media marketing practices of top performing banks or small-sized banks.

Moreover, focus groups studies also contained certain design limitations which possibly influenced the outcomes of this research. The population of consumers participating in this portion of research included university students. It is important to acknowledge the possibility that sample consisting of participants beyond student population (e.g. young professionals or entrepreneurs) could contribute to additional insights and theorizations about the role of social media in bank-client relations. Future research efforts could focus on examining the perspectives on social media marketing in banking and the dynamics of relationships with banks using a population of different socio- demographic profile.

8.2 Future research direction

Future research endeavors in the domain of social media and RM in the banking industry could focus on investigating the extents to which bank's social media presence influences client's trust, retention, loyalty, and satisfaction with services. Researchers are encouraged to use the theorizations proposed in this thesis for testing hypotheses about social media in RM. Possible future research inquiry could address the questions of how social media marketing initiatives could be measured and evaluated against customer lifetime value metrics. RM domain and the domain of social media marketing would benefit from the future empirical research addressing the degrees to which the exposure social media content related to banking contributes to the growth of business for the retail banking sector.

Future research endeavors should explore how we understand the transition of customer from "young" to "mature" in the context of banking relations. It would be of great interest to build knowledge on the subject of how RM strategies differ along the different customer lifecycle stages, and what role social media can play in these stages and transitions. Future research should also address how the implementation of social media will impact bank's RM strategies in the long term, and what banks will achieve by practicing RM in 10, 20, 30+ years from now. It would be also of particular interest to investigate how the events in June-July 2015 related to the financial turmoils in Greece impact bank-customer relationships in the long term, and whether social media will be used by the banks to address customer sentiments of uncertainty and distrust in the banks. Future research could additionally examine how the effects of this crisis in Greece impacted banking markets in the rest of the SEE region, especially in the countries with strong presence of Greek-affiliated banks.

Suggestions for designing such studies in the future could include exploitation of longitudinal experimental design (e.g. recording changes in consumer financial activities before and after exposure to and engagement with banks' pages in social media). Such studies would give more tangible insights into the extents to which social media impact relationships between banks and clients. However, such studies would require considerable commitment in time and resource and would also depend of the openness of banks to allow researchers to access bank's social media pages, CRM records and client databases.

Future research efforts could expand on the limitations of this research. future research could conduct a more comprehensive analysis of the content and exchanges on banks' social media pages using methodologies and techniques such as netnography, semantic analysis, text- mining or natural language processing. Such research efforts would be invaluable for gaining a better understanding of how consumers communicate with banks in social media, and whether certain parameters could be identified and isolated from Web 2.0 exchanges to predict the likelihood of relationship building with banks.

Finally, future research could investigate the scope for utilizing Web 2.0 tools and technologies in the domain of corporate and investment banking and the dynamics of relationships in the B2B banking sector. Research could focus on the counties of the SEE region beyond the confines of this research (e.g. Bosnia and Herzegovina, Croatia, Montenegro, Slovenia, Turkey etc) or could focus on other European regions for the purpose of drawing cross-regional comparisons (e.g. Nordic and Baltic countries, countries of the Mediterranean etc).

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Appendix A: Summary of basic data entries for the Observation Study mapping the adoption of social media among banks across countries

Albania

May 2012	How many channels?	Which channels?	January 2013	How many channels?	Which channels?	January 2014	How many channels?	Which channels?
Alpha	0		Alpha	1	*Facebook*	Alpha	2	*Facebook, YouTube*
Banca Kambetare Tregtare (BKT)	1	*YouTube*	BKT	1	*YouTube*	BKT	5	*Facebook, Twitter, YouTube, LinkedIn, GooglePlus*
Credins	0		Credins	1	*Facebook*	Credins	1	*Facebook*
Credit Agricole Albania	3	*Facebook, Twitter, LinkedIn*	Credit Agricole Albania	4	*Facebook, Twitter, YouTube, LinkedIn*	Credit Agricole Albania	4	*Facebook, Twitter, YouTube, LinkedIn*
Credit Bank of Albania (CBA)	0		CBA	0		CBA	0	
Emporiki (Emporiki & CA)	0		Emporiki (CA)	0		became Credit Agricole		
First Investment Bank (Fibank)	2	*Facebook, YouTube*	Fibank	2	*Facebook, YouTube*	Fibank	2	*Facebook, YouTube*
International Commercial Bank Albania (ICB)	2	*Facebook, YouTube*	International Commercial Bank Albania (ICB)	2	*Facebook, YouTube*	ICB	2	*Facebook, YouTube*
Intesa	1	*Facebook*	Intesa	1	*Facebook*	Intesa	1	*Facebook*
NBG Bank Albania	0		NBG Bank Albania	0		NBG Bank Albania	1	*Facebook*
ProCredit	0		ProCredit	1	*YouTube*	ProCredit	1	*YouTube*
Raiffeisen	0		Raiffeisen	2	*Facebook, Twitter*	Raiffeisen	2	*Facebook, Twitter*
Societe	1	*YouTube*	Societe	1	*YouTube*	Societe	1	*YouTube*
Tirana Bank (Piraeus)	3	*Facebook, Twitter, YouTube (2)*	Tirana (Piraeus)	3	*Facebook, Twitter, YouTube (2)*	Tirana (Piraeus)	3	*Facebook, Twitter, YouTube (2)*
Union Bank Albania	0		Union Bank Albania	0		Union Bank Albania	3	*Facebook, Twitter, LinkedIn*
United Bank of Albania	1	*Facebook*	United Bank of Albania	1	*Facebook*	United Bank of Albania	1	*Facebook*
Veneto	2	*Facebook, Twitter*	Veneto	3	*Facebook, Twitter, Flickr*	Veneto	3	*Facebook, Twitter, Flickr*
17			17			16		

Bulgaria

May 2012	How many channels?	Which channels?	January 2013	How many channels?	Which channels?	January 2014	How many channels?	Which channels?	
Allianz	0		Allianz	0		Allianz	1	*Facebook*	
Alpha	0		Alpha	2	*Twitter, YouTube*	Alpha	2	*Twitter, YouTube*	
Bulgarian-American Credit Bank (BACB)	0		BACB	2	*Twitter, YouTube*	BACB	2	*Twitter, YouTube*	
Central Cooperative Bank (CCBank)	3	*Facebook, Twitter, YouTube (2)*	Central Cooperative Bank (CCBank)	3	*Facebook, Twitter, YouTube (2)*	Central Cooperative Bank (CCBank)	3	*Facebook, Twitter, YouTube (2)*	
Cibank (KBC)	0		Cibank (KBC)	0		Cibank (KBC)	0		
Corporate Commercial Bank	0		Corporate Commercial Bank	0		Corporate Commercial Bank	0		
n/a			Credit Agricole	3	*Facebook, Twitter, YouTube*	Credit Agricole	2	*Facebook, YouTube*	August 2014 renamed into Commercial Bank Victoria
D Commerce Bank	2	*Facebook, Twitter*	D Bank	2	*Facebook, Twitter*	D Bank	2	*Facebook, Twitter*	
DSK Bank (OTP)	0		DSK Bank (OTP)	1	*YouTube*	DSK Bank (OTP)	2	*Facebook, YouTube*	
Emporiki (Emporiki & CA)	3	*Facebook, Twitter, YouTube*	n/a			n/a			
First Investment Bank (Fibank)	4	*Facebook, Twitter (2), YouTube, blog*	First Investment Bank (Fibank)	5	*Facebook, Twitter (2), YouTube, blog, GooglePlus*	First Investment Bank (Fibank)	4	*Facebook, Twitter (2), YouTube, GooglePlus*	
International Asset Bank	1	*Facebook*	International Asset Bank	1	*Facebook*	International Asset Bank	1	*Facebook*	
Investbank	0		Investbank	1	*blog*	Investbank	3	*Facebook, Twitter, blog*	
MKB Unionbank (Bayern LB/MKB)	1	*Twitter*	MKB Unionbank (Bayern LB/MKB)	2	*Facebook, Twitter*	MKB Unionbank (Bayern LB/MKB)	2	*Facebook, Twitter*	merged with Fibank in March 2014
Municipal Bank	0		Municipal Bank	1	*Facebook*	Municipal Bank	1	*Facebook*	
Piraeus	1	*YouTube*	Piraeus	1	*YouTube*	Piraeus	1	*YouTube*	
Postbank (Eurobank)	0		Postbank (Eurobank)	0		Postbank (Eurobank)	5	*Facebook, Twitter, YouTube, LinkedIn, GooglePlus*	
ProCredit	2	*Facebook, YouTube*	ProCredit	2	*Facebook, YouTube*	ProCredit	1	*YouTube*	
Raiffeisen	7	*Facebook, YouTube, blog,Vbox7, Snimka, Album, Picasa*	Raiffeisen	3	*Facebook, Twitter, YouTube*	Raiffeisen	3	*Facebook, Twitter, YouTube*	
Societe	0		Societe	1	*Facebook*	Societe	3	*Facebook, YouTube, LinkedIn*	
TBI Bank (used to be NLB before bought in July 2011 by TBIF)	1	*Facebook*	TBI Bank	1	*Facebook*	TBI Bank	1	*Facebook*	
Texim Bank	0		Texim Bank	0		Texim Bank	0		
Tokuda Bank	1	*Facebook*	Tokuda Bank	1	*Facebook*	Tokuda Bank	1	*Facebook*	
UniCredit	4	*Facebook, Twitter, YouTube, GooglePlus*	UniCredit	6	*Facebook, Twitter, YouTube, GooglePlus, Blog, Pinterest*	UniCredit	7	*Facebook, Twitter, YouTube, GooglePlus, Blog, Pinterest, LinkedIn*	
United Bulgarian Bank (NBG)	2	*Twitter, YouTube*	United Bulgarian Bank (NBG)	2	*Twitter, YouTube*	United Bulgarian Bank (NBG)	3	*Facebook, Twitter, YouTube*	
Ziraat Bank	0		Ziraat Bank	1	*Twitter*	Ziraat Bank	1	*Twitter*	
25			25			25			

FYROM

May 2012	How many channels ?	Which channels?	January 2013	How many channels ?	Which channels?	January 2014	How many channels ?	Which channels?	
Alpha	0		Alpha	1	*YouTube*	Alpha	1	*YouTube*	
Capital Bank (Alfa Finance Holding BG)	0		Capital Bank (Alfa Finance Holding BG)	0		Capital Bank (Alfa Finance Holding BG)	0		
Centralna Kooperativna Banka (CCB Bulgaira)	1	*Facebook*	Centralna Kooperativna Banka	1	*Facebook*	Centralna Kooperativna Banka	1	*Facebook*	
Eurostandard	2	*Facebook, YouTube*	Eurostandard	2	*Facebook, YouTube*	Eurostandard	2	*Facebook, YouTube (2)*	
Halkbank	0		Halkbank	1	*Facebook*	Halkbank	1	*Facebook*	
Komercijalna Banka AD Skopje	0		Komercijalna Banka AD Skopje	0		Komercijalna Banka AD Skopje	0		
NLB Tutunska	2	*Facebook, Twitter*	NLB Tutunska	2	*Facebook, Twitter*	NLB Tutunska	2	*Facebook, Twitter*	
Ohridska Banka (Societe)	0		Ohridska Banka (Societe)	0		Ohridska Banka (Societe)	0		
Post Bank Skopje	1	*Facebook*	Post Bank Skopje	0		Post Bank Skopje	0		In June 2014 bought by Eurostandard
ProCredit	1	*Facebook*	ProCredit	1	*Facebook*	ProCredit	1	*YouTube*	
Sparkasse (Sparkasse & Erste)	2	*Facebook, YouTube*	Sparkasse (Sparkasse & Erste)	2	*Facebook, YouTube*	Sparkasse (Sparkasse & Erste)	2	*Facebook, YouTube*	
Stopanska Banka AD Bitola	0		Stopanska Banka AD Bitola	0		Stopanska Banka AD Bitola	0		
Stopanska Banka AD Skopje (NBG)	1	*YouTube*	Stopanska Banka AD Skopje (NBG)	1	*YouTube*	Stopanska Banka AD Skopje (NBG)	1	*YouTube*	
TTK Banka	2	*Facebook, YouTube*	TTK Banka	2	*Facebook, YouTube*	TTK Banka	2	*Facebook, YouTube*	
UNIBanka	0		UNIBanka	1	*Facebook*	UNIBanka	1	*Facebook*	
Ziraat Bank	0		merged with Halkbank in end 2012						
16			15			15			

Greece

May 2012	How many channels ?	Which channels?	January 2013	How many channels ?	Which channels?	January 2014	How many channels ?	Which channels?	
Alpha	1	*Facebook*	Alpha	1	*Facebook*	Alpha	1	*Facebook*	
ATE Bank	0		ATE Bank (in July 2012 merged with Piraeus)						
Attica Bank	0		Attica Bank	0		Attica Bank	0		
Bank of Cyprus	2	*Facebook, YouTube*	Bank of Cyprus	2	*Facebook, YouTube*	sold in March 2013 to Piraeus			
Citibank	0		Citibank	0		Citibank	0		
Credicom (Credit Agricole)	1	*Twitter*	Credicom (Credit Agricole)	1	*Twitter*	Credicom (Credit Agricole)	1	*Twitter*	
EFG Eurobank	2	*Twitter, YouTube (2)*	EFG Eurobank	2	*Twitter, YouTube (2)*	EFG Eurobank	2	*Twitter, YouTube (2)*	
Emporiki (Credit Agricole)	3	*Facebook, Twitter (2), YouTube*	Emporiki (Credit Agricole)	3	*Facebook, Twitter (2), YouTube*	sold in February 2013 to Alpha			
FBB - First Business Bank	0		FBB - First Business Bank	0		sold in May 2013 to NBG			
Geniki (Societe)	1	*YouTube*	Geniki (Societe)	1	*YouTube*	Geniki (Societe)	0		absorbed in May 2014 by Piraeus
Hellenic Bank Limited	0		Hellenic Bank Limited	1	*YouTube*	sold in March 2013 to Piraeus			
HSBC	0		HSBC	0		HSBC	0		
Marfin	0		Marfin	0		sold in March 2013 to Piraeus			
Millennium	0		Millennium	1	*YouTube*	in December 2013 merged with			
NBG	0		NBG	0		NBG	0		
Panellinia Bank	0		Panellinia Bank	0		Panellinia Bank	0		
Piraeus	5	*Facebook, Twitter, YouTube (2), LinkedIn, Flickr*	Piraeus	5	*Facebook, Twitter, YouTube (2), LinkedIn, Flickr*	Piraeus	5	*Facebook, Twitter, YouTube (2), LinkedIn, Flickr*	
WIN	4	*Facebook, Twitter, YouTube, Delicious*	WIN	3	*Facebook, Twitter, YouTube*	WIN	4	*Facebook, Twitter, YouTube, GooglePlus*	
Probank	0		Probank	0		in July 2013 absorbed by NBG			
TT Bank	3	*Facebook, Twitter, YouTube (2)*	in January 2013 ordered to liquidate			New TT Bank (in December 2013 bought by Eurobank, brand name was preserved, but all operations are withing Eurobank)			
20			18			11			

Romania

May 2012	How many channels?	Which channels?	January 2013	How many channels?	Which channels?	January 2014	How many channels?	Which channels?	
Alpha	0		Alpha	2	*Twitter, YouTube*	Alpha	2	*Twitter, YouTube*	
ATE Bank	1	*Facebook*	ATE Bank	1	*Facebook*	ATE Bank	1	*Facebook*	
Banca Comerciala Carpatica	2	*Facebook, Twitter (2)*	Banca Comerciala Carpatica	2	*Facebook, Twitter (2)*	Banca Comerciala Carpatica	2	*Facebook, Twitter (2)*	
Banca Comerciala Feroviara	1	*Facebook*	Banca Comerciala Feroviara	1	*Facebook*	Banca Comerciala Feroviara	1	*Facebook*	
Banca Comerciala Romana (Erste)	3	*Facebook, Twitter, YouTube*	Banca Comerciala Romana (Erste)	5	*Facebook, Twitter, YouTube, LinkedIn, blog*	Banca Comerciala Romana (Erste)	5	*Facebook, Twitter, YouTube, LinkedIn, blog*	
Banca CR Firenze (Intesa)	0		sold in October 2012 to Intesa						
Banca Italo Romena (Veneto)	0		Banca Italo Romena (Veneto)	0		Banca Italo Romena (Veneto) (in May 2014 changed name to Veneto)	0		
Banca Romana pentru Dezvoltare (BRD) (Societe)	2	*Facebook, Twitter*	Banca Romana pentru Dezvoltare (BRD) (Societe)	3	*Facebook (2), Twitter (2), LinkedIn*	Banca Romana pentru Dezvoltare (BRD) (Societe)	5	*Facebook (2), Twitter (2), YouTube, LinkedIn, GooglePlus*	
Banca Romaneasca (NBG)	0		Banca Romaneasca (NBG)	0		Banca Romaneasca (NBG)	0		
Banca Transilvania	6	*Facebook, Twitter, YouTube, LinkedIn, GooglePlus, apps (2)*	Banca Transilvania	6	*Facebook, Twitter, YouTube, LinkedIn, GooglePlus, apps (2)*	Banca Transilvania	7	*Facebook, Twitter, YouTube, LinkedIn, GooglePlus, apps (2), Pinterest*	
Bancpost (Eurobank)	2	*Facebook, Twitter*	Bancpost (Eurobank)	3	*Facebook, Twitter, LinkedIn*	Bancpost (Eurobank)	6	*Facebook, Twitter, YouTube, LinkedIn, blog, GooglePlus*	
Bank of Cyprus	0		Bank of Cyprus	0		Bank of Cyprus	0		(branches in Romania to be sold by October 2014)
CEC Bank	2	*Facebook, Twitter*	CEC Bank	1	*Twitter*	CEC Bank	1	*Twitter*	
Credit Europe Bank	1	*Facebook*	Credit Europe Bank	2	*Facebook, LinkedIn*	Credit Europe Bank	2	*Facebook, LinkedIn*	
Emporiki (Credit Agricole)	1	*Facebook*	Credit Agricole (became in June 2012)	1	*Facebook (different page)*	Credit Agricole	1	*Facebook*	
Garanti	3	*Facebook, Twitter, YouTube (2)*	Garanti	3	*Facebook, Twitter, YouTube (2)*	Garanti	4	*Facebook, Twitter, YouTube (2), GooglePlus*	
ING	3	*Facebook, Twitter, YouTube*	ING	3	*Facebook, Twitter, YouTube*	ING	4	*Facebook, Twitter, YouTube, GooglePlus*	
Intesa	0		Intesa	2	*Facebook, Twitter*	Intesa	2	*Facebook, Twitter*	
Leumi	0		Leumi	0		Leumi	1	*Facebook*	
Libra Internet Bank	2	*Facebook, Twitter*	Libra Internet Bank	2	*Facebook, Twitter*	Libra Internet Bank	4	*Facebook (2), Twitter, YouTube, GooglePlus*	
Marfin	0		Marfin	0		Marfin	0		
Millennium	0		Millennium	2	*Facebook, YouTube*	Millennium	2	*Facebook, YouTube*	
Nextebank (former MKB Romexterra)	1	*Facebook*	Nextebank (former MKB Romexterra)	1	*LinkedIn*	Nextebank (former MKB Romexterra)	1	*LinkedIn*	
OTP	0		OTP	1	*Facebook*	OTP	3	*Facebook, YouTube, GooglePlus*	
Piraeus	2	*Facebook, YouTube*	Piraeus	2	*Facebook, YouTube*	Piraeus	2	*Facebook, YouTube (2)*	
ProCredit	0		ProCredit	0		ProCredit	1	*YouTube*	
Raiffeisen	4	*Facebook, Twitter, YouTube, LinkedIn*	Raiffeisen	4	*Facebook (2), Twitter, YouTube, LinkedIn*	Raiffeisen	4	*Facebook (2), Twitter, YouTube, LinkedIn*	
Romanian International Bank	0		Romanian International Bank	0		Romanian International Bank (RIB)	0		
n/a			TBI Bank (established August	0		TBI Bank	1	*Facebook*	
UniCredit Tiriac Bank	2	*Facebook (2), YouTube*	UniCredit Tiriac Bank	4	*Facebook (2), Twitter, YouTube (2), LinkedIn*	UniCredit Tiriac Bank	4	*Facebook (2), Twitter, YouTube (2), LinkedIn*	
Volksbank	2	*Twitter, YouTube*	Volksbank	2	*Twitter, YouTube*	Volksbank	3	*Facebook, Twitter, YouTube*	
30			30			30			

Serbia

May 2012	How many channels?	Which channels?	January 2013	How many channels?	Which channels?	January 2014	How many channels?	Which channels?
Agrobanka	2	*Twitter, YouTube*	foreclosure in October 2012					
AIK Banka Nis	2	*Facebook, Twitter*	AIK Banka Nis	2	*Facebook, Twitter*	AIK Banka Nis	3	*Facebook, Twitter, YouTube*
Alpha	3	*Facebook, Twitter, YouTube*	Alpha	3	*Facebook, Twitter, YouTube*	Alpha	3	*Facebook, Twitter, YouTube (2)*
Banka Postanska Stedionica	1	*Facebook*	Banka Postanska Stedionica	2	*Facebook, Twitter*	Banka Postanska Stedionica	4	*Facebook, Twitter, YouTube, LinkedIn*
Credit Agricole	0		Credit Agricole	0		Credit Agricole	4	*YouTube, LinkedIn, GooglePlus, apps*
Credy (Credit Agricole)	0		Credy (Credit Agricole)	0		KBM (changed its name in September 2013 after bein	2	*Facebook, Twitter*
Čačanska banka	1	*Facebook*	Čačanska banka	1	*Facebook*	Čačanska banka	1	*Facebook*
Dunav Banka	0		Dunav Banka	0		Dunav Banka	0	
Erste	5	*Facebook, Twitter, YouTube, LinkedIn, blog*	Erste	6	*Facebook, Twitter, YouTube, LinkedIn, blog, Slideshare*	Erste	6	*Facebook, Twitter, YouTube, linkedIn, GooglePlus, Foursquare*
Eurobank	2	*Facebook (2), YouTube*	Eurobank	4	*Facebook (2), Twitter, YouTube, GooglePlus*	Eurobank	6	*Facebook (2), Twitter, YouTube, GooglePlus, Foursquare, apps*
Findomestic (BNP Paribas)	0		Findomestic (BNP Paribas)	1	*Facebook*	Findomestic (BNP Paribas)	1	*Facebook*
Hypo-Alpe Adria	3	*Facebook, Twitter, YouTube*	Hypo-Alpe Adria	3	*Facebook, Twitter, YouTube*	Hypo-Alpe Adria	3	*Facebook, Twitter, YouTube*
Intesa	4	*Facebook, Twitter (2), YouTube (3), LinkedIn*	Intesa	4	*Facebook, Twitter (2), YouTube (3), LinkedIn*	Intesa	5	*Facebook, Twitter (2), YouTube (3), LinkedIn, GooglePlus*
Jubmes	0		Jubmes	0		Jubmes	0	
Jugobanka Jugbanka ad Kosovska Mitrovica	1	*Facebook*	Jugobanka Jugbanka ad Kosovska Mitrov	1	*Facebook*	Jugobanka Jugbanka ad Kosovska Mitrovica	1	*Facebook*
KBC	0		KBC	0		bought in 2013 by Telenor		
Komercijalna	5	*Facebook, Twitter, YouTube, LinkedIn, GooglePlus*	Komercijalna	5	*Facebook, Twitter, YouTube, LinkedIn, GooglePlus*	Komercijalna	6	*Facebook, Twitter, YouTube, LinkedIn, GooglePlus, apps*
Marfin	0		Marfin	0		Marfin	0	
Moskovska (VTB group)	0		VTB banka (renamed)	0		VTB Banka (renamed)	0	
NLB	0		NLB	1	*Facebook*	NLB	3	*Facebook, YouTube, blog*
Opportunity	2	*Facebook, YouTube*	Opportunity	2	*Facebook, YouTube*	Opportunity	2	*Facebook, YouTube (2)*
OTP	0		OTP	2	*Facebook, YouTube*	OTP	3	*Facebook, YouTube, GooglePlus*
Piraeus	0		Piraeus	0		Piraeus	0	
Privredna Banka ad Beograd	3	*Facebook, Twitter, YouTube*	Privredna Banka ad Beograd	3	*Facebook, Twitter, YouTube*	Foreclosure in October 2013, part transferred to Postanska Stedionica		
ProCredit	0		ProCredit	1	*YouTube*	ProCredit	2	*YouTube, GooglePlus*
Raiffeisen	3	*Facebook, Twitter, YouTube*	Raiffeisen	3	*Facebook, Twitter, YouTube*	Raiffeisen	3	*Facebook, Twitter, YouTube*
Razvojna Banka Vojvodine	0		Razvojna Banka Vojvodine	6	*Facebook, Twitter, YouTube, LinkedIn, GooglePlus, Flickr*	Foreclosure in April 2013, part transferred to Postanska Stedionica		
Societe	0		Societe	0		Societe	3	*Facebook, YouTube, GooglePlus*
Srpska Banka	0		Srpska Banka	0		Srpska Banka	0	
n/a			n/a			Telenor Banka (to be activated in 2nd half in 2014)	1	*app*
UniCredit	1	*YouTube*	UniCredit	1	*YouTube*	UniCredit	1	*YouTube*
Univerzal	0		Univerzal	0		Univerzal	0	
Vojvodjanska Banka (NBG)	2	*Twitter, YouTube*	Vojvodjanska Banka (NBG)	3	*Facebook, Twitter, YouTube (2)*	Vojvodjanska Banka (NBG)	4	*Facebook, Twitter, YouTube (2), GooglePlus*
Volksbank (owned by Sberbank)	0		Sberbank (renamed in December 2012)	0		Sberbank (renamed in December 2012)	0	
33			32			30		

Appendix B: Questioning Guide for Key Informant Interviews

Part 1: Basic information justifying participant's selection in research sample

1. Interviewee Name:

2. Professional experience :
   - post held at the bank
   - experience in financial services industry (years)

Questions exploring current RM policies:

1. How would you describe relationship marketing approach in banking?
2. What are the some of the relationship marketing practices implemented in your bank? What are the goals of these approaches?
3. What is the role of CRM systems in your bank?
4. What channels does you bank use to communicate marketing programs to its individual customers?
5. What channels are available to customers to communicate with the bank?

Questions exploring current Online Communication policies with customers:

1. How would you describe current online communication policies of your bank with the customers?
2. What is the service provided through online communication? What is the goal of online communication with customers?
3. How are marketing programs communicated to customers via online communications?
4. Which online channels are used and for which purposes?
5. What are the perceived benefits from online communication with customers?

6. What are the potential difficulties/challenges faced in online communication with customers?

7. How can the online communication with bank customers be **improved**? What would be the potential **requirements**?

Questions exploring potential implementation of Web 2.0 communications in bank marketing:

Does your bank incorporate any form of Web 2.0 implementation/social media presence in marketing strategies?

If yes:

1. Describe which and how?
2. What are the goals and aspirations?
3. What are the strategies?
4. Who is targeted/who are the audiences?
5. What are the requirements for Web 2.0 implementation? (IT, resources, departmental structure etc)
6. How are the results measured?
7. What is the growth plan in this field?

If not:

What are the obstacles to having online communication with customers (strategic, resources, policies, regulations, management etc)?

Are you aware of any cases/examples of Web 2.0 implementation in marketing strategies by any other banks in your country or in the region?

Questions exploring attitudes of bank professionals towards social media and Web 2.0 communications in marketing strategies for banks:

1. How would you describe the communication which takes place in the Web 2.0 channels?
2. Do you think that Web 2.0 communications have the place in bank marketing and/or customer relationship strategies in your country?
3. What are the effects that Web 2.0 communications might produce on

relationships with customers?

4. How would you describe potential opportunities that Web 2.0 communications could introduce to marketing in banking industry in your country?
5. How would you describe the audiences of Web 2.0 channels? How would you describe the customers interested in Web 2.0 communication and RM with banks?
6. What do you think are customers' attitudes towards using Web 2.0 in relationship marketing and communication with their banks?
7. What could be the advantages of the Web 2.0 communication and social media in marketing efforts of banks in your country?
8. What kind of image would implementation of Web 2.0 communications in bank marketing display to customers?
9. What are the negative perceptions towards Web 2.0 implementation in bank marketing to customers?
10. Do you think that Web 2.0 communications have a potential to produce impact (positive or negative) on customer marketing relationship strategies in banking? Elaborate.

<u>Questions regarding the potential and future of Web 2.0 in bank marketing in the region:</u>

1. How would you describe the future prospects for Web 2.0 in marketing communication and RM in banking in your country?
2. What are the key requirements for incorporating Web 2.0 communication channels in RM strategies in banking?
3. What would be the key factors for successful implementation of Web 2.0 communication in RM consumer strategies in banking?

Appendix C: Example of a summary sheet from an interview with a bank manager (Case Study)

Category	Page in transcript	Emerging themes
Understanding RM concept	p.1	• Personalized approach (potential customers) • Better understanding of customer needs • Giving appropriate information • Use understanding of customer needs to create new products/services • Customer-focused marketing • Individual basis
Examples of RM practices and programs	p.1	• Use of website for customer information – ask questions • All online inquiries directed to personal physical or telephone response by bank • Example of personalized service: online calculation of credit and loan scores and product offers • Service personalization depends on the value of customer segment
Online services	p. 1	• Information & transaction oriented
Online content	p. 2	• Webpage – guide through offers • Info on how to contact bank for inquiries (through traditional channels)
Transactional online services	p. 2	• Offered to existing retail customers
Customer online inquiries	p. 2	• Addressing inquiries by telephone conversation is preferable • All phone inquiries recorded • Rationale: easier to make phone contact, more feasible, faster • Phone conversations recorded for legal purposes
Is customer information from telephone inquiries used in marketing (future promotions, targeting, segmentation)?	p. 2-3	• Online inquiries not considered "decisive" for population • Only repetitive inquiries taken into consideration for product re-formulation, change or withdrawal • It is much easier for customer to file complaint , address bank with questions , or give transaction instructions personally through branch services

		• Internet information in "one-way" • Character of Greek customers to ask for "face-to-face" contact • Greek customers reluctant to rely fully on electronic means • Online communication with bank possible only when there is already established relationship with bank: trust in bank = trust in bank's electronic system • Online communication depends on customer profile: more likely for younger, educated; pensioners are reluctant to use them
What does it take for online customer communication to be recognized by the bank and to get its attention?	p. 3	• If product becomes obsolete it is not recognized via public demand but by lack of use of these products • Customer discontent is not expressed via electronic means by via traditional media channels, • "Greeks do not complain via Internet so much" • Volume of online complaints is not "decisive"
Does website provide link to personnel for inquiries? Is personnel identified? How is personalization achieved through online services?	p. 3-4	• Personalization is not "wanted" by industry online • Online services are made for masses • There is no identification of contacts with bank for online services offered to masses • Personalized service (face-to-face) is offered only through "private banking" • Rationale: personalized service is more costly and not everyone requesting it can afford it
Lack of personalization online and its impact on customer trust in online services	p. 4	• No banking service can be completely delivered online due to regulations • Personal face-to-face contact is required at least once in starting business with a bank • "There is no non-physical banking relationship at the moment and I'm not sure if it is going to be in the near future" • There is a legislative regulation that requires customer direct contact with bank through traditional channels for illegal action prevention • The nature of interaction with bank is dependent on the volume and "balance" of transactions, and more volume requires more direct visits to the bank and direct contact through traditional rather than online channels
Types of customers requesting online services	p. 5	• "Younger" – in 20s-30s, familiar with online communications, prefer online to direct interaction with bank • This is considered good by the bank, because it contributed to lower costs of transaction
How do online interactions change as relationships develop?	p. 5	• Customers ask for more "sophisticated" transactions\ • Banks have constraints to the level of services offered online • However, the volume, offer, and "complexity" of online services has improved over the years

Possibilities for online relationships in the future	p. 5-6	• "Online transactions " give insight on customer behavior and show opportunities for personalization • Credit card use as example of how customer transaction info is used for promotions • Deposit transaction require secrecy and obedience to protective regulations • Customer information is sensitive to be sent and exchanges online because of security issues • Banking industry must protect its "good name" ; protection of customer data OVER larger volume sales
Bank's use and involvement in Web 2.0 channels	p. 6-7	• Monitoring "rumors" spread in these channels to protect "the good name of the bank" • Research is being outsourced to external agencies • Research used to find out customer perceptions about the bank to formulate strategies, combined info from traditional methods (questionnaires, interviews) with online discussions
Perceptions about the importance of social media to customers	p. 7	• Population participating in online conversation is not interested in discussing banking issues due to "disbelief" • This kind of communication is just beginning in Greece • Banking industry is conservative, esp. in times of crisis – banks do not want expansion but safe, less-volume non-risky transactions, which exclude online channels
Can social media be used to adders customer concerns, rumors etc?	p. 7	• All bank communications must be carefully measured, esp. in times of crisis • Banks prefer to address customer publics via traditional channels and official announcements • "this we cannot do via electronic means"
Obstacles to online communication with customers	p. 8	• No problems with availability of resources • It's the "choice of means" • Blogs considered "rumor-spreading and unreliable" • Official traditional means of information more reliable than online posts • Reliability online is only possible on official corporate sites, not on blogs • Reliability is the main driver and banks cannot risk with it
How customers are using social media sites for information on banks?	p.8	• There is increase of relevance of these channels for information and it will grow, as crisis created "disbelief" and "discontent" in official institutions
Awareness of examples of other banks using Web 2.0 channels in communication with customers	p. 8	• Bank A is the largest but also the oldest and most traditional bank in Greece • Younger banks are more aggressive and "mobile" • Piraeus Bank, Eurobank – increased their presence through modern channels
Web 2.0 as source of competitive advantage in RM and customer share	p. 9	• There is a generation of customers which prefer and rely on electronic means rather than traditional physical contact • Electronic money transactions will be more popular as physical ones have the risk of criminality
Attitude about Web 2.0 communications, socialization	p. 9	• Web 2.0 is reality • As long as these channels are popular for socialization, they will have their way in financial transactions

		as well • You cannot go against this trend • Bank needs to use them more
Advantages of Web 2.0 for banking	p. 9-10	• Decrease costs • Decrease dependency on large branch networks, which is the competitive advantage in the industry • However, crisis does not recognize this advantages, people prefer physical contacts • "Electronic money creates unrest in periods of crisis" • "primitive fears of people" show in crisis • Crisis slow expansion of electronic channels
Future development for Web 2.0 communications	p. 10	• Once the crisis is stabilized there will be more investments in electronic means • ROI is higher for electronic channels and this will be the reason for their development in the future
Web 2.0 communications used in bank branding	p. 10	• Appearance of website becomes more important than the physical appearance of branch offices • Possibility of having "electronic teller" – but not yet in Greece
Possibility of having real discussion with customers via Web 2.0	p. 11	• Not feasible in the moment, but possible for the future
Requirements for Web 2.0 development in the future in banking	p. 11	• Electronic infrastructure already exists • Broadband Internet is available • Need for well-designed and cleverly-designed systems to appeal to people • But mentality of Greek people will still demand traditional channels as well • Believes people want person-to-person transactions and opportunity for discussion in traditional channels • "Fully electronic industry contradicts the nature of people"
Corporate structure including Web 2.0 department	p. 11-12	• Bank already has department for telephone service - telephone support of transactions • Transfer of these services to computer-based will be as extension and will be possible, as bank already has experience with similar non-direct services
Readiness of internal organizational culture for Web 2.0 communications	p. 12	• Bank tries for a long time to push customers to electronic transactions "to take them out of our branches" • Has educational programs and staff promoting this approach to transactions to customers • Online virtual campaign educating clients about online transactions (with virtual character)– designed to educate masses, because this would be impossible to do directly for every individual who comes to branch • Promotion of the use of online transaction services supported by sweepstakes and other supplementary marketing • Rationale behind this program: cost –effectiveness
Customer reactions to campaigns promoting online services?	p. 13	• Positive feedback

		• Measured through clicks on the site and educational demo and repetitive clicks • Customer commentary possible on the site, but not visible (only internally) • Not monitoring comments in other channels regarding this initiative
Key success factors for Web 2.0 development and expansion in the future in banking	p. 13-14	• Development driven by cost-efficiency, increasing familiarity to growing population, and concentration in banking industry which will contribute to larger investments (collaborate) in electronic channels • Smaller banks cannot handle the investment in online channels as easily as larger banks • People's perception • Technology (availability of notebooks, smart phones etc) • Volumes of customers • Expansion will be in mass electronic services, not in personalization, because of the costs • Costs for personalized electronic services will be transferred to customers
Comment on customer-manages relationships vs. customer relationship management in Greek banking	p. 14-15	• Customers in Greece prefer direct contact = preference for traditional CRM • Customers prefer to have direct contact with their banker • "Electronic computerizes marketing relationship approach is not yet so familiar because it is not yet so well-known" • Not a problem of trust, but of habit to do things traditional way • Preference to know a banker personally than to address "neutral electronic system" • Branch-based banking is changing gradually towards online transactions • The culture and non-familiarity with electronic systems is the "block" • Introduction of customer ombudsman in branches to defend and represent customer interest
Requirements for changes in banking industry in Greece	p. 15	• T o overcome crisis / or guided by the crisis situation: - Cost-effectiveness - Transparency – people's need - People-friendliness

<u>Participant's key position in interview:</u>

Online communications are viewed by participants only through their value of enabling banking transactions to be made online. Online communication in that sense is valued for its cost-efficiency mainly and ease of use for masses. Participant strongly believes that traditional branch presence and services are inevitable and cannot be made obsolete due to: legal concerns and anti-criminal regulations, the culture of Greek people who prefer direct physical contact, the lack of knowledge of electronic means (meaning perhaps lack of understanding of their possibilities and usability), the crisis situation which demands traditional approach towards addressing customers in order to restore their trust in banks.

Main points made:

Transaction-oriented approach is the driver for investments in online services and online educational programs for customers. Online transactions are a response to the demands for effective and impersonal services of new generations (rather than initiative for innovation and new venue competitive advantage for the bank).

Assumptions about social media in banking

Participant answered to questions of the significance of Web 2.0 communications to management of relationships with customers through transaction-centered view on the value of such communications. There is a strong centeredness only on transactional aspect of customer's business with bank, and all possibilities and opportunities for discussion and relationship with customers outside the transactional terms are discarded and left unaddressed. This consequently lead to a view that Web 2.0 communications cannot be used for communication and maintenance of relationships with customers online. Other barriers include lack of reliability in Web 2.0 channels, legislative obstacles, public distrust in purely online communication with organizations etc

Appendix D: Focus group guide

Use of social media - general

1. In which social media sites are you active and how often?
2. What are you looking for in communication via social media?

Interaction with companies in social media

3. Do you follow any companies/brands on social media?
4. What drives you to follow companies/brands on social media? (motives, expectations, benefits, challenges)
5. What sort of engagement do you have with social media pages of the companies/brands you follow?
6. When considering following a company on social media, what are the first things that you check?
7. What are the "good" examples of companies/brands communicating with customers via social media? What are the "bad" examples?
8. What do you think are the motives of companies for using social media?
9. Is there a difference in the rate and scope of social media uptake between international brands/companies and (local) brands/companies in your home country?

Interaction with banks via social media

10. Are you connected with your bank via social media?

If yes:

- What pages does you bank have and which ones do you follow?
- What kind of content does the bank offer on their social media page?
- What level of engagement do bank's pages offer?
- What benefits did you receive from such form of interaction?
- What kind of expectations did you have and were they met?
- Have you encountered any challenges with the social media pages of your?
- What would you suggest to be improved?

If not:

- Are you familiar/aware with your bank's social media pages or social media pages of other banks?
- What are the reasons for not connecting with your bank on social media? What are the factors that stand as unappealing/ challenging?
- What would be the requirements for the connection between you and your bank to happen over social media?
- What criteria would you look for when considering to follow your bank in social media? Are the criteria the same for following other companies/brands? What is different?
- In what cases would the connection between a bank and a client make sense in social media?
- What benefits could clients receive from connecting with their bank in social media?
- What channels would be the most effective for banks wishing to connect with clients in social media?
- What type of content should banks provide on their social media pages?
- What type of clients should banks target on social media? If many segments, then how should communication differ across them? (channels, content, level of engagement)

Relationships with banks

11. Is relationship with a bank achievable in social media? Why?
12. What kind of connectedness can be achieved between a bank and a client in social media?
13. What aspects of a relationship between a bank and a client can be supported via social media?
14. Can bank's activities in social media affect your relationship with a bank or your attitude about a bank? How?
15. How would you describe current relationship with your bank?
16. What means of communication does you bank use to reach you?
17. How do you expect the relationship between you and your bank to unravel in the next 10 years?
18. What would define a good relationship between a customer and a bank?
19. What elements in social media communication would you like to see in order to support/improve customer service and relationships with your bank? What is lacking in this moment?
20. How is the element of trust seen in communication via social media channels? Which channels are trusted and why? Which channels lack the trust and why?

21. What information will you be eager to give to a bank in order for your relationship to be managed more effectively?

22. What kind of communication approaches/initiatives you would not like to see from your bank in social media? What would you advice your bank to avoid when communication with customers via social media?

Appendix E: Trend of adding social media buttons to official websites

	Facebook			Twitter			YouTube		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Albania	1 (14%) Fibank	1 (10%) Fibank	7 (54%) BKT, Credins, Credit Agricole, Fibank, ICB, Raiffeisen, Union Bank	0	0	4 (50%) BKT, Union Bank, Credit Agricole, Raiffeisen	0	0	4 (50%) BKT, Credit Agricole, Raiffeisen, Societe Generale
Bulgaria	3 (30%) UniCredit,Raiffeisen, Emporiki	5 (38%) UniCredit, Raiffeisen, Fibank, Credit Agricole, Municipal Bank	11 (65%) CCBank, DSK Bank (OTP), Fibank, Municipal Bank, Postbank (Eurobank), Raiffeisen, Societe Generale, TBI Bank, Tokuda Bank, UniCredit, United Bulgarian Bank (NBG)	1 (14%) UniCredit	3 (27%) UniCredit, Raiffeisen, Fibank	3 (30%) Fibank, Raiffeisen, UniCredit	2 (25%) UniCredit, Raiffeisen	2 (18%) UniCredit, Raiffeisen	6 (46%) DSK Bank (OTP), Postbank (Eurobank), Raiffeisen, Societe Generale, UniCredit, United Bulgarian Bank (NBG)
FYROM	2 (29%) NLB Tutunska, ProCredit	3 (37%) Sparkasse, NLB Tutunska, UNIBank	4 (57%) Centralna Kooperativna Banka, NLB Tutunska, Sparkasse, UNIBank	0	0	0	0	0	1 (17%) Sparkasse

Greece	4 (67%) Alpha, Piraeus, WIN, TT Bank	3 (60%) Alpha, Piraeus, WIN	2 (67%) Piraeus, WIN	3 (50%) Eurobank, Piraeus, WIN	3 (60%) Eurobank, Piraeus, WIN	3 (75%) Eurobank, Piraeus, WIN	5 (71%) Eurobank, Geniki, Piraeus, WIN, TT Bank	5 (62%) Eurobank, Geniki, Millennium, Piraeus, WIN	3 (100%) Eurobank, Piraeus, WIN
Romania	5 (29%) Banca Transilvania, Credit Europe Bank, Emporiki, Libra, UniCredit	9 (50%) Bancpost (Eurobank), BCR (Erste), Banca Transilvania, Credit Europe Bank, Credit Agricole, Libra, Millennium, UniCredit, Intesa	13 (62%) BCR (Erste), BRD (Societe), Banca Transilvania, Bancpost (Eurobank), Credit Europe Bank, Credit Agricole, ING, Intesa, Leumi Bank, Libra Bank, Millennium, UniCredit, Volksbank	2 (18%) Banca Transilvania, Libra	3 (21%) Bancpost (Eurobank), BCR (Erste), Banca Transilvania	5 (36%) BCR (Erste), Banca Transilvania, Bancpost (Eurobank), ING, Libra Bank	0	1 (7%) BCR (Erste)	3 (21%) BCR (Erste), Bancpost (Eurobank), ING
Serbia	7 (54%) Intesa, Erste, Hypo-Alpe Adria, Raiffeisen, UniCredit, AIK Banka, Komercijalna Banka	11 (61%) Intesa, Eurobank, Erste, Hypo-Alpe Adria, OPT, Raiffeisen, UniCredit, AIK Banka, Komercijalna Banka, Vojvodjanska Banka (NBG), Razvojna Banka Vojvodine	14 (78%) AIK Banka, Banka Postanska Stedionica, Čačanska banka, Erste, Eurobank, Findomestic (BNP Paribas), Hypo-Alpe Adria, Intesa, Jugobanka Jugbanka, Komercijalna Banka, NLB, OTP, Raiffeisen, Vojvodjanska Banka	6 (60%) Intesa, Erste, Hypo-Alpe Adria, Raiffeisen, AIK Banka, Komercijalna Banka	10 (83%) Intesa, Eurobank, Erste, Hypo-Alpe Adria, Raiffeisen, AIK Banka, Banka Postanska Stedionica, Komercijalna Banka, Vojvodjanska Banka (NBG), Razvojna Banka Vojvodine	9 (82%) AIK Banka, Banka Postanska Stedionica, Erste, Eurobank, Hypo-Alpe Adria, Intesa, Komercijalna Banka, Raiffeisen, Vojvodjanska Banka	5 (42%) Intesa, Erste, Raiffeisen, UniCredit, Komercijalna Banka	9 (64%) Intesa, Eurobank, Erste, OTP, Raiffeisen, UniCredit, Komercijalna Banka, Vojvodjanska Banka (NBG), Razvojna Banka Vojvodine	11 (65%) Banka Postanska Stedionica, Erste, Eurobank, Hypo-Alpe Adria, Intesa, Komercijalna Banka, NLB, OTP, Raiffeisen, UniCredit, Vojvodjanska Banka

Note: Each column contains the names of banks which had added social media buttons to their websites. The numbers on top of every cell represent how many banks active in that social site had added social media buttons. The percentages represent how big was the portion of banks with social media buttons from the total sample of adopters for that specific social media platform.